CNL Strategic Capital, LLC

This document includes:

Supplement No. 24 dated August 24, 2026

Supplement No. 23 dated July 24, 2026

Supplement No. 22 dated June 23, 2026

Supplement No. 21 dated May 22, 2026

Supplement No. 20 dated May 12, 2026

Supplement No. 19 dated April 24, 2026

Supplement No. 18 dated April 10, 2026

Supplement No. 17 dated March 24, 2026

Supplement No. 16 dated February 23, 2026

Supplement No. 15 dated January 26, 2026

Supplement No. 14 dated December 22, 2025

Supplement No. 13 dated November 21, 2025

Supplement No. 12 dated November 7, 2025

Supplement No. 11 dated October 24, 2025

Supplement No. 10 dated October 3, 2025

Supplement No. 9 dated September 24, 2025

Supplement No. 8 dated August 25, 2025

Supplement No. 7 dated August 15, 2025

Supplement No. 6 dated August 8, 2025

Supplement No. 5 dated July 24, 2025

Supplement No. 4 dated June 24, 2025

Supplement No. 3 dated May 22, 2025

Supplement No. 2 replaced by Supplement No. 6 dated August 8, 2025 and Supplement No. 7 dated August 15, 2025

Supplement No. 1 dated April 24, 2025

Prospectus dated April 7, 2025

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 24 DATED AUGUST 24, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 24 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended July 31, 2026;
- certain return information for all outstanding classes of shares;
- an update to our "Prospectus Summary";
- an update to our "Risk Factors" section;
- an update to our "Conflicts of Interests and Certain Relationships and Related Party Transactions" section;
- an updated "Management's Discussion and Analysis of Financial Condition and Results of Operations" section substantially the same as that which was included in our Quarterly Report on Form 10-Q, filed on August 6, 2026;
- an updated "Our Portfolio" section;
- an update to our "Management" section;
- an update to our "Compensation of the Manager, the Sub-Manager and the Managing Dealer" section; and
- our condensed consolidated unaudited financial statements and the notes thereto as of and for the period ended June 30, 2026, as included in our Quarterly Report on Form 10-Q, filed on August 6, 2026.

Public Offering Price Adjustment

On August 24, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of August 31, 2026 and will be used for the Company's next monthly closing for subscriptions on August 31, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of July 31, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$42.82	$41.06	$38.91	$39.55
Selling Commissions, Per Share	$2.57	$1.23		
Dealer Manager Fees, Per Share	$1.07	$0.72		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On August 24, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based

on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
September 25, 2026	September 28, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended July 31, 2026

On August 24, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of July 31, 2026 (in thousands, except per share data):

Month Ended July 31, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,713	$363,172	$69,848	$115,385	$710,779	$74,182	$1,494,079
Number of Outstanding Shares	3,616	9,269	1,786	2,965	17,972	1,652	37,260
Net Asset Value, Per Share	$44.45	$39.18	$39.11	$38.91	$39.55	$44.91	
Net Asset Value, Per Share Prior Month	$44.34	$39.14	$39.06	$38.87	$39.50	$44.81	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.11	$0.04	$0.05	$0.04	$0.05	$0.10	

The change in the Company's net asset value per share for each applicable share class for the month ended July 31, 2026 was primarily driven by the increases in the fair value of eleven out of eighteen of the Company's portfolio company investments. The fair value of six of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of July 31, 2026, the Company had total assets of approximately $1.54 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through July 31, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	5.0%	9.6%	36.2%	60.7%	10.9%	141.0%	February 7, 2018 – July 31, 2026
Class FA (with sales load)	-1.8%	2.5%	27.3%	50.3%	10.1%	125.4%	February 7, 2018 – July 31, 2026
Class A (no sales load)	4.5%	8.5%	32.6%	51.6%	9.9%	119.4%	April 10, 2018 – July 31, 2026
Class A (with sales load)	-4.4%	-0.7%	21.3%	38.7%	8.7%	100.7%	April 10, 2018 – July 31, 2026
Class I	4.3%	8.0%	31.8%	50.8%	10.0%	120.5%	April 10, 2018 – July 31, 2026
Class T (no sales load)	4.1%	7.8%	29.4%	46.9%	9.0%	102.4%	May 25, 2018 – July 31, 2026
Class T (with sales load)	-0.9%	2.7%	23.2%	39.9%	8.3%	92.8%	May 25, 2018 – July 31, 2026
Class D	4.3%	8.2%	31.5%	50.8%	9.4%	107.2%	June 26, 2018 – July 31, 2026
Class S (no sales load)	5.0%	9.5%	36.3%	61.9%	11.9%	103.6%	March 31, 2020 – July 31, 2026
Class S (with sales load)	1.3%	5.7%	31.5%	56.3%	11.2%	96.5%	March 31, 2020 – July 31, 2026

[1] For the period from January 1, 2026 through July 31, 2026.
[2] For the period from August 1, 2025 through July 31, 2026.
[3] For the period from August 1, 2023 through July 31, 2026.
[4] For the period from August 1, 2021 through July 31, 2026.
[5] For the period from the date the first share was issued for each respective share class through July 31, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the seven months ended July 31, 2026, sources of declared distributions on a GAAP basis were as follows:

	Seven Months Ended July 31, 2026		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 12,977	49.2	%
Net realized gains	—	—	%
Distributions in excess of net investment income and net realized gains[2]	13,388	50.8	%
Total distributions declared	$ 26,365	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Seven Months Ended July 31, 2026		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 13,783	110.1	%
Expense support (reimbursement)	(806)	(6.4)	%
Net investment income	$ 12,977	103.7	%
Net realized gains	—	—	%
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	—	%
Cash distributions declared net of distributions reinvested[3]	$ 12,517	100.0	%

[1] There was no expense support due from the Manager and Sub-Manager for the seven months ended July 31, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the seven months ended July 31, 2026, excludes $13,848 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Prospectus Summary

The following disclosure supersedes and replaces the second paragraph under the section "Prospectus Summary—Q: Who are Levine Leichtman Strategic Capital, LLC and LLCP?" and the third paragraph under the section "Business—The Manager and the Sub-Manager," which appear on pages 3 and 86, respectively, of the Prospectus.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 42 years. Since its inception in 1984, LLCP and its affiliates have managed approximately $20.6 billion of capital and currently manages approximately $15.0 billion of assets through March 31, 2026. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP's global team of dedicated investment professionals is led by nine partners ("LLCP Senior Executives") who have worked at LLCP for an average of 20 years. As of March 31, 2026, LLCP had 88 employees, including over 47 dedicated investment professionals.

Risk Factors

The following disclosure supersedes and replaces the section "Risk Factors— The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs, our businesses and their respective other accounts and clients.", which first appears on page 22 of the Prospectus.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs, our businesses and their respective other accounts and clients.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients; compensation to the Manager, the Sub-Manager and their respective affiliates; services that may be provided by the Manager, the Sub-Manager and their respective affiliates to our businesses; co-investment opportunities for us and the allocation of such opportunities to us and other clients of the Manager and the Sub-Manager; the formation of investment vehicles by the Manager or the Sub-Manager; differing recommendations given by the Manager and the Sub-Manager to us versus other clients; the Manager's and the Sub-Manager's use of information gained from our businesses for investments by other clients, subject to applicable law; and restrictions on the Manager's and the Sub-Manager's use of "inside information" with respect to potential acquisitions by us.

In connection with the services that the Sub-Manager or its affiliates may provide to the businesses we acquire, the Sub-Manager and its affiliates may be paid transaction fees in connection with services customarily performed in connection with the management of such businesses. Any transaction fees received by the Sub-Manager up to $1.5 million to $3.5 million annually (dependent on our total assets at the time of receipt of such transaction fees) will not be shared with us. Any transaction fees charged to businesses in excess of $3.5 million will be paid to us. See "Management—Sub-Management Agreement—Transaction Fees." Affiliates of the Sub-Manager may charge periodic monitoring or similar fees to our minority equity positions (i.e., businesses in which the company does not own more than 50% of the voting securities) in connection with ongoing monitoring services provided by such affiliates with respect to those businesses. See "Management—Sub-Management Agreement—Monitoring Fees." Additionally, these fees may be paid before we realize any income or gain. We may also reimburse the Sub-Manager for certain transactional expenses (e.g., research costs, due diligence costs, professional fees, legal fees and other related items) related to businesses that we acquire as well as transactional expenses related to deals that do not close, often referred to as "broken deal costs." The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

Conflicts of Interest and Certain Relationships and Related Party Transactions

The following disclosure supersedes and replaces the twelfth bullet under the sections entitled "Prospectus Summary—Q: What conflicts of interest exist between us, the Manager, the Sub-Manager and their respective affiliates?" and "Conflicts of Interest and Certain Relationships and Related Party Transactions—Conflicts of Interest", which first appear on pages 6 and 143, respectively, of the Prospectus.

- Our businesses may pay transaction fees and monitoring fees to the Sub-Manager and its affiliates for services the Sub-Manager or its affiliates provide to them and therefore our shareholders may be indirectly subject to such fees. These fees may be paid before we realize any income or gain. The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Prospectus is hereby supplemented with the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is substantially the same as that which was included in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026. Unless otherwise defined in this supplement, capitalized terms are defined in such Quarterly Report on Form 10-Q.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following "Management's Discussion and Analysis of Financial Condition and Results of Operations" is substantially the same as that which was included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 (our "Form 10-Q"). Unless otherwise defined in this prospectus, capitalized terms are defined in such Quarterly Report. All references to Notes or Items are to the audited condensed financial statements as of June 30, 2026, which is incorporated by reference. Please see "Risk Factors" and "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by the Manager, CNL Strategic Capital Management, LLC, an entity that is registered as an investment adviser under the Advisers Act. The Manager is controlled by CNL Financial Group, LLC, a private investment management firm specializing in alternative investment products. We have engaged the Manager under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities and sub-managed by the Sub-Manager, Levine Leichtman Strategic Capital, LLC, a registered investment adviser, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

Since we commenced operations on February 7, 2018, we have acquired equity and debt investments in 19 U.S. and Global middle-market businesses and disposed of one middle-market U.S. business. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of June 30, 2026, we had eleven investments structured as controlling equity interests in combination with debt positions and seven investments structured as minority equity interests in combination with debt positions. All of our debt investments were current as of June 30, 2026.

We were formed as a Delaware limited liability company on August 9, 2016 and we operate and intend to continue to operate our business in a manner that will permit us to avoid registration under the Investment Company Act. We are not a "blank check" company within the meaning of Rule 419 of the Securities Act. We commenced operations on February 7, 2018.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced our Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Follow-On Registration Statement upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement filed with the SEC. Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated.

Through the Second Follow-On Public Offering, we are offering, in any combination, four classes of the Non-founder shares. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan).

Through June 30, 2026, we had received net proceeds from the Public Offerings of approximately $1.2 billion, including approximately $79.9 million received through our distribution reinvestment plan. As of June 30, 2026, the public offering price was $42.64 per Class A share, $40.84 per Class T share, $38.71 per Class D share and $39.46 per Class I share. See Note 7. “Capital Transactions” and Note 13. “Subsequent Events” in Item 1. “Financial Statements” in our Form 10-Q for additional information regarding the Public Offerings, which is incorporated by reference into this supplement.

Through June 30, 2026, we had incurred selling commissions and dealer manager fees of approximately $15.5 million from the sale of Class A shares and Class T shares in the Public Offerings. The Class D shares and Class I shares sold through June 30, 2026, were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for offering costs of approximately $14.0 million based on actual amounts raised through the Public Offerings through June 30, 2026. These offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. “Related Party Transactions” of Item 1. to our “Financial Statements” in our Form 10-Q, which is incorporated by reference into this supplement.

In July 2026, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of July 31, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective July 31, 2026:				
Public Offering Price, Per Share	$ 42.78	$ 41.01	$ 38.87	$ 39.50
Selling Commissions, Per Share	2.57	1.23	—	—
Dealer Manager Fees, Per Share	1.07	0.72	—	—

Since we commenced operations on February 7, 2018, we have raised total net offering proceeds (including amounts raised from our private offerings and Public Offerings) of approximately $1.4 billion, including approximately $79.9 million received through our distribution reinvestment plan as of June 30, 2026.

Portfolio and Investment Activity

As of June 30, 2026, we had invested in 18 portfolio companies, consisting of equity investments and debt investments. The table below presents our portfolio company investments (in millions):

		As of June 30, 2026						
		Equity Investments		Debt Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Debt	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis[2]
Lawn Doctor	2/7/2018	61%	$ 27.6	Second Lien	16.0%	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2028	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	10.9	Second Lien	15.0	12/19/2030	3.4	14.3
Resolution Economics	1/2/2020	8	7.6	Second Lien	15.0	12/30/2027	2.8	10.4
Blue Ridge	3/24/2020	15	21.0	Second Lien	15.0	12/28/2029	2.6	23.6
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Clarion	12/9/2021	94	70.3	First Lien	15.0	12/9/2028	22.5	92.8
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	6/30/2023	—	—	Secured	[3]	5/6/2029	24.3	24.3
TacMed	3/24/2023	95	77.4	Secured	16.0	3/24/2030	29.0	106.4
Sill	10/20/2023	94	100.1	Secured	14.0	10/20/2030	15.9	116.0
USA Water	2/21/2024	5	8.1	Second Lien	16.0	8/20/2031	1.4	9.5
LBR	6/17/2024	8	0.1	Preferred Equity	[4]	n/a	80.5	80.6
LBR	4/24/2025	—	—	PIK Note	3.84% PIK[4]	5/17/2039	17.9	17.9
MAP	7/18/2024	57	61.3	First Lien	15.0	7/18/2031	15.0	76.3
IFPG	6/23/2025	91	93.5	Secured	15.0	6/23/2032	27.5	121.0
Shipley	9/25/2025	3	6.3	Second Lien	16.0	1/24/2033	0.7	7.0
USA Industries	12/11/2025	4	4.2	Second Lien	16.0	6/9/2033	0.8	5.0
			$ 648.8				$ 404.4	$ 1,053.2

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of June 30, 2026, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Schedule of Investments and Note 3. “Investments” of Item 1. “Financial Statements” for additional information related to our investments, including fair values as of June 30, 2026, included in our Form 10-Q, which is incorporated by reference into this supplement.

(3) As of June 30, 2026, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at June 30, 2026 was 3.63%.

(4) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance on the anniversary date, as applicable. PIK Notes accrue income at a per annum rate of 3.84%. Preferred Shares includes three tranches (1) A2, (2) B2 and (3) B3. Preferred Shares tranches B2 and B3 accrue PIK income at a per annum rate of 8.5% and 12.0%, respectively. A2 Preferred Shares accrue PIK income using a 12.0% annual interest rate applied to a notional balance of: (a) the principal balances of the PIK Notes compounded annually at 12.0%, less (b) the 3.84% fixed PIK interest generated from the PIK Notes.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders. See our Form 10-K for the year ended December 31, 2025 for additional information regarding our portfolio companies and their related business activities.

Our Portfolio Companies

The below information regarding our portfolio companies contains a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other financial measures determined in accordance with GAAP. We use this non-GAAP financial measure to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our portfolio companies. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider this measure appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as a supplemental measure.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

As of June 30, 2026 and December 31, 2025, Lawn Doctor, Inc. ("Lawn Doctor") had total assets of approximately $96.6 million and $97.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 14,313	$ 13,884	$ 25,298	$ 25,807
Net income (GAAP)	$ 1,293	$ 1,313	$ 1,755	$ 2,003
Interest and debt related expenses	1,389	1,417	2,777	2,804
Depreciation and amortization	659	656	1,315	1,306
Income tax expense	484	426	764	778
Adjusted EBITDA (non-GAAP)	$ 3,825	$ 3,812	$ 6,611	$ 6,891
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,334*	*$ 2,308*	*$ 4,033*	*$ 4,204*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 61% of Lawn Doctor.

Polyform

As of June 30, 2026 and December 31, 2025, Polyform Products, Co. ("Polyform") had total assets of approximately $30.2 million and $30.4 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of Polyform for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 5,137	$ 4,861	$ 9,642	$ 9,661
Net income (loss) (GAAP)	$ 166	$ (162)	$ (50)	$ (258)
Interest and debt related expenses	728	728	1,447	1,448
Depreciation and amortization	470	468	939	936
Income tax expense (benefit)	67	(64)	(17)	(101)
Adjusted EBITDA (non-GAAP)	$ 1,431	$ 970	$ 2,319	$ 2,025
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,246*	*$ 845*	*$ 2,020*	*$ 1,764*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 87% of Polyform.

Roundtables

As of June 30, 2026 and December 31, 2025, Auriemma U.S. Roundtables ("Roundtables") had total assets of approximately $61.7 million and $58.1 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Roundtables for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 5,106	$ 4,872	$ 10,005	$ 9,609
Net income (GAAP)	$ 584	$ 494	$ 643	$ 622
Interest and debt related expenses	604	560	1,232	1,196
Depreciation and amortization	526	519	1,040	1,039
Income tax expense	125	139	138	188
Adjusted EBITDA (non-GAAP)	$ 1,839	$ 1,712	$ 3,053	$ 3,045
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,485*	*$ 1,383*	*$ 2,466*	*$ 2,459*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 81% of Roundtables.

HSH

As of June 30, 2026 and December 31, 2025, Healthcare Safety Holdings, LLC ("HSH") had total assets of approximately $41.1 million and $40.6 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of HSH for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 10,875	$ 8,679	$ 20,706	$ 17,812
Net income (GAAP)	$ 851	$ 439	$ 1,593	$ 885
Interest and debt related expenses	919	936	1,826	1,863
Depreciation and amortization	713	714	1,433	1,427
Income tax expense	255	142	477	287
Adjusted EBITDA (non-GAAP)	$ 2,738	$ 2,231	$ 5,329	$ 4,462
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,040*	*$ 1,662*	*$ 3,970*	*$ 3,325*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 75% of HSH.

ATA

As of June 30, 2026 and December 31, 2025, ATA National Title Group, LLC ("ATA") had total assets of approximately $80.1 million and $83.8 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of ATA for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 16,128	$ 15,272	$ 28,397	$ 25,958
Net income (loss) (GAAP)	$ 1,186	$ 1,057	$ (420)	$ (1,451)
Interest and debt related expenses	1,500	1,484	2,975	2,928
Depreciation and amortization	1,042	1,051	2,084	2,102
Adjusted EBITDA (non-GAAP)	$ 3,728	$ 3,592	$ 4,639	$ 3,579
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,796*	*$ 2,694*	*$ 3,479*	*$ 2,684*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 75% of ATA.

Clarion

As of June 30, 2026 and December 31, 2025, Clarion Safety Holdings, LLC ("Clarion") had total assets of approximately $98.3 million and $99.0 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Clarion for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues	$ 9,616	$ 8,764	$ 18,804	$ 15,278
Net income (GAAP)	$ 1,449	$ 1,192	$ 2,864	$ 1,298
Interest and debt related expenses	791	811	1,563	1,619
Depreciation and amortization	457	433	910	730
Income tax expense	544	450	1,066	491
Adjusted EBITDA (non-GAAP)	$ 3,241	$ 2,886	$ 6,403	$ 4,138
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,999*	*$ 2,722*	*$ 6,000*	*$ 3,931*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 94% and 95%, respectively, of Clarion.

Vektek

As of June 30, 2026 and December 31, 2025, Vektek Holdings, LLC ("Vektek") had total assets of approximately $107.5 million and $107.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Vektek for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 9,535	$ 8,887	$ 18,632	$ 17,519
Net income (GAAP)	$ 508	$ 406	$ 797	$ 713
Interest and debt related expenses	1,452	1,497	2,896	2,985
Depreciation and amortization	899	912	1,816	1,823
Income tax expense	9	16	17	45
Adjusted EBITDA (non-GAAP)	$ 2,868	$ 2,831	$ 5,526	$ 5,566
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,401*	*$ 2,370*	*$ 4,626*	*$ 4,660*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 84% of Vektek.

TacMed

As of June 30, 2026 and December 31, 2025, TacMed had total assets of approximately $104.3 million and $106.4 million, respectively. In April 2026, we made an additional equity investment in TacMed of approximately $0.7 million.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of TacMed for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 12,226	$ 11,134	$ 23,752	$ 20,642
Net loss (GAAP)	$ (1,011)	$ (374)	$ (1,413)	$ (1,300)
Interest and debt related expenses	1,180	1,178	2,344	2,344
Depreciation and amortization	1,311	1,298	2,629	2,655
Income tax benefit	(343)	(47)	(497)	(369)
Adjusted EBITDA (non-GAAP)	$ 1,137	$ 2,055	$ 3,063	$ 3,330
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,078*	*$ 1,958*	*$ 2,915*	*$ 3,176*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 95% of TacMed.

Sill

As of June 30, 2026 and December 31, 2025, Sill had total assets of approximately $125.8 million and $123.1 million, respectively. In January 2026 and April 2026, we made an additional equity investment in Sill of approximately $2.0 million and $1.8 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Sill for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 12,177	$ 10,663	$ 21,791	$ 21,845
Net income (GAAP)	$ 1,259	$ 1,220	$ 996	$ 3,494
Interest and debt related expenses	571	566	1,133	1,171
Depreciation and amortization	990	866	1,977	1,750
Income tax expense	274	78	263	702
Adjusted EBITDA (non-GAAP)	$ 3,094	$ 2,730	$ 4,369	$ 7,117
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,896*	*$ 2,547*	*$ 4,090*	*$ 6,639*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 94% and 93%, respectively, of Sill.

MAP

As of June 30, 2026 and December 31, 2025, Madison Retirement Holdings TopCo, LLC ("MAP") had total assets of approximately $130.7 million and $132.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of MAP for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 13,104	$ 10,538	$ 25,532	$ 18,923
Net income (loss) (GAAP)	$ 1,273	$ (612)	$ 1,840	$ (4,168)
Interest and debt related expenses	782	682	1,487	1,341
Depreciation and amortization	1,093	1,875	2,191	4,194
Income tax expense	—	—	—	1
Adjusted EBITDA (non-GAAP)	$ 3,067	$ 1,945	$ 5,518	$ 1,368
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,745*	*$ 1,159*	*$ 3,139*	*$ 815*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2026 and 2025, we owned approximately 57% and 60%, respectively, of MAP.

IFPG

As of June 30, 2026 and December 31, 2025, IFPG had total assets of approximately $132.9 million and $131.0 million, respectively. The Company acquired its investments in IFPG in June 2025. In April 2026, we made an additional equity investment in IFPG of approximately $3.0 million.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of IFPG for the quarter and six months ended June 30, 2026 (in thousands):

	Quarter Ended June 30,	Six Months Ended June 30,
	2026	2026
Revenues	$ 4,490	$ 8,677
Net loss (GAAP)	$ (1,421)	$ (2,944)
Interest and debt related expenses	1,126	2,239
Depreciation and amortization	1,347	2,647
Income tax benefit	(434)	(289)
Adjusted EBITDA (non-GAAP)	$ 618	$ 1,653
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 564*	*$ 1,504*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. We acquired approximately 91% indirect ownership interest in IFPG in June 2025. As of June 30, 2026, we owned approximately 91% of IFPG.

Other Portfolio Companies

As of June 30, 2026, we held minority equity and debt positions in seven portfolio companies.
In March 2026, we made an additional equity investment in Milton of approximately $2.0 million.
In May 2026, we made an additional equity investment in Blue Ridge of approximately $12.9 million.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase. In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Additionally, to the extent we have available cash we may make investments in short-term U.S. Treasury bills. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by fluctuating interest rates, inflationary pressures due to global supply chain issues, a rise in energy prices, volatility due to the conflict in the Middle East, and the impact natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of June 30, 2026 and December 31, 2025, we had cash and cash equivalents of approximately $80.4 million and $84.8 million, respectively.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $89.9 million and $53.0 million in net proceeds during the six months ended June 30, 2026 and 2025, respectively, from the Follow-On Public Offering and the Second Follow-On Public Offering, which excludes approximately $11.8 million and $10.5 million raised through our distribution reinvestment plan, respectively. As of June 30, 2026, we had approximately 803.2 million authorized common shares remaining for sale.

Investments. We received a return of capital from portfolio company investments of approximately $1.1 million and $1.0 million during the six months ended June 30, 2026 and 2025, respectively.

Borrowings. We borrowed $30.0 million during the six months ended June 30, 2025. We did not borrow on the Line of Credit during the six months ended June 30, 2026. See Note 8. “Borrowings” of Item 1. “Financial Statements” in our Form 10-Q for additional information regarding our Line of Credit, which is incorporated by reference into this supplement.

Uses of Liquidity and Capital Resources

Investments. We used approximately $22.3 million and $158.9 million of cash to purchase portfolio company investments during the six months ended June 30, 2026 and 2025, respectively.

Operating Activities. We used operating cash flows (excluding amounts related to investment activity) of approximately $7.2 million and $7.5 million during the six months ended June 30, 2026 and 2025, respectively.

Distributions. We paid distributions to our shareholders of approximately $10.8 million and $10.4 million (which excludes distributions reinvested of approximately $11.8 million and $10.5 million, respectively) during the six months ended June 30, 2026 and 2025, respectively. See "Distributions Declared" below for additional information.

Share Repurchases. We paid approximately $55.2 million and $37.7 million during the six months ended June 30, 2026 and 2025, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.1 million in deferred financing costs during the six months ended June 30, 2026 and 2025.

Reimbursement of Expense Support. During the six months ended June 30, 2026 and 2025, there was no expense support reimbursed to the Manager and Sub-Manager. The Manager and Sub-Manager have provided approximately $1.0 million of Expense Support that has not been reimbursed and that may become subject to reimbursement in the future, of which we had accrued reimbursement of approximately $1.0 million as of June 30, 2026. Expense Support is received or Expense Support reimbursement is paid annually. As of June 30, 2026, management believes that reimbursement payments by the Company to the Manager and Sub-Manager for the remaining unreimbursed Expense Support are probable under the terms of the Expense Support and Conditional Reimbursement Agreement.

Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" of Item 1. "Financial Statements" included in our Form 10-Q and incorporated herein by reference for additional information.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the six months ended June 30, 2026 and 2025 (six record dates). The following table reflects the total distributions declared during the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Six Months Ended June 30,					
	2026			2025		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested [2]	Distributions Declared[1][2]	Distributions Reinvested [2]	Cash Distributions Net of Distributions Reinvested [2]
First Quarter	$ 11,206	$ 5,859	$ 5,347	$ 10,372	$ 5,175	$ 5,197
Second Quarter	11,378	5,975	5,403	10,547	5,335	5,212
	$ 22,584	$ 11,834	$ 10,750	$ 20,919	$ 10,510	$ 10,409

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2026 – June 30, 2026	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2025 – June 30, 2025	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Six Months Ended June 30,			
	2026		2025	
	Amount	Percentage[1]	Amount	Percentage[1]
Net investment income before Expense Support (reimbursement)	$ 13,438	125.0 %	$ 5,374	51.6 %
Expense Support (reimbursement)	(970)	(9.0)	3,892	37.4
Net investment income	$ 12,468	116.0 %	$ 9,266	89.0 %
Cash distributions net of distributions reinvested in excess of net investment income	—	—	1,143	11.0
Cash distributions declared, net of distributions reinvested[2]	$ 10,750	100.0 %	$ 10,409	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $11,834 and $10,510 of distributions reinvested pursuant to our distribution reinvestment plan during the six months ended June 30, 2026 and 2025, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. Distributions on the Non-founder shares may be lower than distributions on Founder shares because we are required to pay higher management and total return incentive fees to the Manager and the Sub-Manager with respect to the Non-founder shares. Additionally, distributions on Class T and Class D shares are lower than distributions on Class FA, Class A, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to Class T and Class D shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" in Item 1. "Financial Statements" in our Form 10-Q for additional disclosures regarding distributions, which is incorporated by reference into this supplement.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. A shareholder's repurchase request must be received by the repurchase agent on or before the date which is (60) days prior to the date the Shares are redeemed. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

Our board of directors has the right to amend or suspend the Share Repurchase Program to the extent it determines that it is in our best interest to do so, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes, upon 30 days' prior notice to our shareholders. Once the Share Repurchase Program is suspended, the Share Repurchase Program requires that we consider the recommencement of the plan at least quarterly. Continued suspension of the Share Repurchase Program would only be permitted under the plan if our board of directors determines that the continued suspension of the Share Repurchase Program is in our best interest and the best interest of our shareholders. Our board of directors must affirmatively authorize the recommencement of the plan before shareholder requests will be considered again. Our board of directors cannot terminate the Share Repurchase Program absent a liquidity event or where otherwise required by law. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. Moreover, the Share Repurchase Program will terminate, and we no longer will accept shares for repurchase, if and when our shares are listed on a national securities exchange, are included for quotation in a national securities market or, in the sole determination of our board of directors, a secondary trading market for the shares otherwise develops. All shares to be repurchased under the Share Repurchase Program must be (i) fully transferable and not be subject to any liens or other encumbrances and (ii) free from any restrictions on transfer. If we determine that a lien or other encumbrance or restriction exists against the shares requested to be repurchased, we will not repurchase any such shares.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings, including our Line of Credit as of May 2026, to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places. We have had no unfulfilled share repurchase requests ("Unfulfilled Repurchase Requests") under the Share Repurchase Program since inception.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the six months ended June 30, 2026 and 2025, we received requests for the repurchase of approximately $61.5 million and $29.8 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following tables summarize the shares repurchased during the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA shares	108	$ 4,714	$ 43.57
Class A shares	442	17,183	38.86
Class T shares	47	1,837	38.70
Class D shares	128	4,884	38.28
Class I shares	800	31,285	39.12
Class S shares	36	1,591	44.18
Six Months Ended June 30, 2026	1,561	$ 61,494	$ 39.39
Class FA shares	115	$ 4,610	$ 39.92
Class A shares	94	3,430	36.21
Class T shares	33	1,185	36.29
Class D shares	108	3,817	35.68
Class I shares	446	16,293	36.54
Class S shares	10	422	40.80
Six Months Ended June 30, 2025	806	$ 29,757	$ 36.92

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Through June 30, 2026, we had acquired equity and debt investments in 19 portfolio companies and disposed of one portfolio company. As of June 30, 2026 and 2025, the fair value of our portfolio company investments totaled approximately $1.5 billion and $1.4 billion, respectively. See "Portfolio and Investment Activity" above for discussion of the general terms and characteristics of our investments, and for information regarding our portfolio companies.

The following table summarizes our operating results for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total investment income	$ 22,196	$ 18,217	$ 44,469	$ 35,123
Total operating expenses	(16,137)	(21,505)	(30,931)	(29,702)
Expense support (reimbursement), net	(970)	3,883	(970)	3,892
Net investment income before taxes	5,089	595	12,568	9,313
Income tax expense	(68)	(30)	(100)	(47)
Net investment income	**5,021**	**565**	**12,468**	**9,266**
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	26,325	45,339	45,510	55,205
Net increase in net assets resulting from operations	**$ 31,346**	**$ 45,904**	**$ 57,978**	**$ 64,471**

Investment Income

Investment income consisted of the following for the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
From portfolio company investments:				
Interest income	$ 10,794	$ 10,475	$ 21,483	$ 20,771
Dividend income	8,622	5,009	17,575	8,940
PIK income	2,336	1,896	4,536	3,552
From cash accounts				
Interest income	444	837	875	1,860
Total investment income	**$ 22,196**	**$ 18,217**	**$ 44,469**	**$ 35,123**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of June 30, 2026 and 2025. As of June 30, 2026 and 2025, our weighted average annual yield on our accruing debt investments was 12.5% and 14.0%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." Interest income from our debt investments was approximately $10.8 million and $10.5 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $21.5 million and $20.8 million during the six months ended June 30, 2026 and 2025, respectively.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Dividend income was approximately $8.6 million and $5.0 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $17.6 million and $8.9 million during the six months ended June 30, 2026 and 2025, respectively. During each of the six months ended June 30, 2026 and 2025, we received dividend income from fourteen and ten of our portfolio companies, respectively.

PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as PIK receivable and capitalized to the principal balance on the anniversary date, as applicable. PIK income was approximately $2.3 million and $1.9 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $4.5 million and $3.6 million during the six months ended June 30, 2026 and 2025, respectively.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the quarter and six months ended June 30, 2026 and 2025 were as follows (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Total return incentive fees	$ 7,050	$ 13,079	$ 13,029	$ 13,467
Base management fees	6,860	5,765	13,434	11,070
Offering expenses	201	610	383	1,150
Professional services	758	824	1,778	1,488
Pursuit costs	106	274	244	691
Distribution and shareholder servicing fees	493	497	998	988
Custodian and accounting fees	333	148	500	296
Insurance expense	63	55	118	110
Director fees and expenses	63	52	144	103
General and administrative expenses	157	102	216	183
Interest expense	53	99	87	156
Total operating expenses	**16,137**	**21,505**	**30,931**	**29,702**
Expense support	—	(3,883)	—	(3,892)
Reimbursement of expense support	970	—	970	—
Net expenses	**$ 17,107**	**$ 17,622**	**$ 31,901**	**$ 25,810**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses, interest expense and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services and interest expense).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis. We perform a final reconciliation of the total return incentive fee calculation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We recorded total return incentive fees of approximately $7.1 million and $13.1 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $13.0 million and $13.5 million during the six months ended June 30, 2026 and 2025, respectively. The decrease in total return incentive fees during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, is primarily due to a decrease of $9.7 million in the net change in unrealized appreciation on investments, including foreign currency gain (loss) offset by an increase of $3.2 million in net investment income, taken over a larger Average Adjusted Capital during the quarter and six months ended June 30, 2026, as compared to the quarter and six months ended June 30, 2025.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We incurred base management fees of approximately $6.9 million and $5.8 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $13.4 million and $11.1 million during the six months ended June 30, 2026 and 2025, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash) which were approximately $1.4 billion and $1.2 billion during the six months ended June 30, 2026 and 2025, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to our condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

We incurred offering expenses of approximately $0.2 million and $0.6 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $0.4 million and $1.2 million during the six months ended June 30, 2026 and 2025, respectively.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $0.1 million and $0.3 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $0.2 million and $0.7 million during the six months ended June 30, 2026 and 2025, respectively.

Distribution and Shareholder Servicing Fee

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $0.5 million and $0.5 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $1.0 million and $1.0 million during the six months ended June 30, 2026 and 2025, respectively.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, interest expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $1.4 million and $1.3 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $2.8 million and $2.3 million during the six months ended June 30, 2026 and 2025, respectively.

Expense Support (Reimbursement)

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense Support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the Conditional Reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, we have received cumulative Expense Support of approximately $6.0 million. No expense support was reimbursed to the Manager and Sub-Manager during the six months ended June 30, 2026 and 2025. The Manager and Sub-Manager have provided approximately $1.0 million of Expense Support that has not been reimbursed and that may become subject to reimbursement in the future, of which we recorded reimbursement of Expense Support in the condensed consolidated statements of operations of approximately $1.0 million for the quarter and six months ended June 30, 2026.

Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" of Item 1. "Financial Statements" included in our Form 10-Q and incorporated herein by reference for additional information.

The actual amount of Expense Support or Expense Support Reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. "Related Party Transactions" of Item 1. "Financial Statements" included in our Form 10-Q and incorporated herein by reference for additional information.

Other Expenses and Changes in Net Assets

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded and private comparable companies as determined by our independent valuation firm.

During the quarter and six months ended June 30, 2026, we recognized a net change in unrealized appreciation on our portfolio company investments of approximately $29.0 million and $50.7 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on sixteen portfolio companies of approximately $54.6 million, offset partially by gross unrealized depreciation on two portfolio companies of approximately $3.9 million during the six months ended June 30, 2026. Gross unrealized appreciation was due to EBITDA growth, accretive add-on acquisitions, multiple expansion in certain of our portfolio companies and unrealized foreign currency gain. Gross unrealized depreciation was primarily driven by EBITDA declines and multiple compression. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $2.6 million and $5.2 million during the quarter and six months ended June 30, 2026, respectively.

During the quarter and six months ended June 30, 2025, we recognized a net change in unrealized appreciation on portfolio company investments of approximately $49.0 million and $60.2 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on thirteen portfolio companies of approximately $66.7 million, offset partially by gross unrealized depreciation on three portfolio companies of approximately $6.5 million during the six months ended June 30, 2025. One portfolio company investment has remained flat due to the recency of its acquisition. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions. Gross unrealized depreciation was primarily driven by EBITDA declines. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $3.6 million and $5.0 million during the quarter and six months ended June 30, 2025, respectively.

Net Assets

During the quarter and six months ended June 30, 2026 and 2025, the net increase in net assets consisted of the following (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operations	$ 31,346	$ 45,904	$ 57,978	$ 64,471
Distributions to shareholders	(11,378)	(10,547)	(22,584)	(20,919)
Capital transactions	8,883	29,322	26,151	45,132
Net increase in net assets	$ 28,851	$ 64,679	$ 61,545	$ 88,684

Operations decreased by approximately $14.6 million and $6.5 million during the quarter and six months ended June 30, 2026, respectively, as compared to the quarter and six months ended June 30, 2025. The decrease in operations for the quarter and six months ended June 30, 2026, as compared to the quarter and six months ended June 30, 2025, is primarily due to a decrease in the net change in unrealized appreciation on investments of approximately $19.0 million and offset by an increase in net investment income of approximately $3.2 million.

Distributions increased approximately $0.8 million and $1.7 million, during the quarter and six months ended June 30, 2026, respectively, as compared to the quarter and six months ended June 30, 2025, primarily as a result of an increase in shares outstanding.

Capital transactions decreased by approximately $20.4 million and $19.0 million, during the quarter and six months ended June 30, 2026, respectively, as compared to the quarter and six months ended June 30, 2025. The decrease in capital transactions for the quarter and six months ended June 30, 2026, as compared to the quarter and six months ended June 30, 2025, is primarily due to an increase in net proceeds received through the Public Offerings (including proceeds received through our distribution reinvestment plan) of approximately $12.8 million and offset by an increase in share repurchases of approximately $31.7 million.

Total Returns

The following table illustrates year-to-date return ("YTD Return"), trailing 12 months return ("1-Year Return"), trailing 36 months return ("3-year Return"), trailing 60 months return ("5-Year Return") and Annualized Return Since Inception, and cumulative total returns through June 30, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Total Return Period
Class FA (no sales load)	4.5 %	10.8 %	36.2 %	61.8 %	11.0 %	140.0 %	Feb. 7, 2018 - June 30, 2026
Class FA (with sales load)	(2.3)%	3.6 %	27.4 %	51.3 %	10.1 %	124.4 %	Feb. 7, 2018 - June 30, 2026
Class A (no sales load)	4.1 %	9.7 %	32.5 %	52.2 %	10.0 %	118.6 %	Apr. 10, 2018 - June 30, 2026
Class A (with sales load)	(4.7)%	0.4 %	21.3 %	39.3 %	8.8 %	100.0 %	Apr. 10, 2018 - June 30, 2026
Class I	3.9 %	9.2 %	31.8 %	51.5 %	10.0 %	119.6 %	Apr. 10, 2018 - June 30, 2026
Class T (no sales load)	3.7 %	9.0 %	29.3 %	47.4 %	9.0 %	101.7 %	May 25, 2018 - June 30, 2026
Class T (with sales load)	(1.2)%	3.8 %	23.2 %	40.4 %	8.4 %	92.1 %	May 25, 2018 - June 30, 2026
Class D	4.0 %	9.5 %	31.5 %	51.5 %	9.5 %	106.5 %	June 26, 2018 - June 30, 2026
Class S (no sales load)	4.5 %	10.7 %	36.3 %	62.7 %	12.0 %	102.7 %	Mar. 31, 2020 - June 30, 2026
Class S (with sales load)	0.9 %	6.8 %	31.6 %	57.0 %	11.3 %	95.6 %	Mar. 31, 2020 - June 30, 2026

FOOTNOTES:

(1) For the period from January 1, 2026 to June 30, 2026.
(2) For the period from July 1, 2025 to June 30, 2026.
(3) For the period from July 1, 2023 to June 30, 2026.
(4) For the period from July 1, 2021 to June 30, 2026.
(5) For the period from the date the first share was issued for each respective share class through June 30, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in this supplement, including the negative impacts from recent geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3 investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Hedging Activities

As of June 30, 2026, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

See our Form 10-K for the year ended December 31, 2025 and Note 2. "Significant Accounting Policies" included in our Form 10-Q and incorporated by reference herein for a summary of our critical accounting policies.

Our Portfolio

The following disclosure supersedes and replaces the sections "Our Portfolio— Lawn Doctor," "Our Portfolio— Polyform," "Our Portfolio— Auriemma U.S. Roundtables," "Our Portfolio— Milton Industries," "Our Portfolio— Resolution Economics," "Our Portfolio— Blue Ridge ESOP Associates," "Our Portfolio— Healthcare Safety Holdings LLC," "Our Portfolio— ATA Title Company," "Our Portfolio—Douglas Machine Corp.," "Our Portfolio —Clarion Safety Systems," "Our Portfolio—Vektek Holdings," "Our Portfolio—TacMed Solutions," "Our Portfolio—Sill Public Adjusters," "Our Portfolio— USA Water," "Our Portfolio—Law Business Research," "Our Portfolio—MAP Retirement," "Our Portfolio—International Franchise Professionals Group," "Our Portfolio—Shipley Do-Nuts," "Our Portfolio— USA Industries" and "Our Portfolio— Financing Line of Credit," respectively, which first appear on page 98 of the Prospectus.

Through June 30, 2026, we had acquired equity and debt investments in 19 businesses and disposed of one of those businesses. The following is a description of our portfolio of businesses. The financial information in this section is unaudited.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to an exchange agreement and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 47 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operate a nationwide network of over 900 independently owned franchise units across the country as of June 30, 2026. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended June 30, 2026 was approximately $47.3 million. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended June 30, 2026 was approximately $248 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook, Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc. ("Elite"), a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports multiple franchised locations, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States under the Sparkle Squad brand.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution pursuant to an exchange agreement, we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 55 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. Polyform estimates that its products are available in thousands of retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net sales for Polyform for the trailing twelve months ended June 30, 2026 were approximately $19.6 million.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in December 2028. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, commercial banking, wealth management, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, New York, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions support a sustainable revenue model. The total revenue for Roundtables for the trailing twelve months ended June 30, 2026 was approximately $20.0 million. Of the total revenue for Roundtables, the vast majority represented membership fees.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
- In August 2023, Roundtables acquired insideARM, LLC ("insideARM"). Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including

agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, Illinois. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 3,500 active customers and 5,500 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended June 30, 2026 of approximately $119.8 million. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing ("Steck"). Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics ("Arrow"), a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.
- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.
- In March 2026, we made an additional equity investment in Milton of approximately $2.0 million to partially finance Milton's acquisition of Action Pump Co. ("Action"). Action manufactures industrial drum pumps and other related products serving broad industrial end markets which require safe transfer of oils, lubricants and chemicals in specific applications. We believe Milton's acquisition of Action further expands Milton's market presence in the industrial end markets and will be complementary to Milton's existing fluid handling products.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended June 30, 2026 of approximately $121.9 million.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. ("Berkshire"). Founded in 1983 and headquartered in Columbia, Maryland, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, California. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 15% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended June 30, 2026 was approximately $117.5 million. As of December 31, 2025, Blue Ridge provides services for 1,600 ESOP plans with approximately 630,000 plan participants and over 8,200 401(k), defined benefit, and other type plans with approximately 280,000 plan participants.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.
- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.
- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.
- In March 2025, Blue Ridge acquired Qualified Retirement Plan Services ("QRPS"). Founded in 1988 and headquartered in Raleigh, North Carolina, QRPS is an independent third-party administrator of qualified retirement plans. The addition of QRPS further expands the Blue Ridge service offering, resource capacity, technical expertise, and geographical coverage, specifically in their 401(k) & Pension business line of services.
- In February 2026, Blue Ridge acquired the ESOP third-party administration services of AmbroseAdvisors, an investment banking and financial advisory firm that provides a full range of liquidity transaction options, capital placement and M&A services.
- In May 2026, we made an additional equity investment in Blue Ridge of approximately $12.9 million to partially finance Blue Ridge's acquisition of Economic Group Pension Services ("EGPS"). Established in 1971 and based in New York, EGPS is a retirement plan services firm that offers plan design, administration, actuarial consulting, and 3(16) fiduciary services for all types of retirement plans. We believe the addition of EGPS fundamentally transforms the Blue Ridge's size and scale while broadening its service portfolio and geographic footprint to better serve plan sponsors, advisors, and channel partners.

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, Minnesota, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended June 30, 2026 was approximately $42.5 million.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, Michigan, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers. Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended June 30, 2026 was approximately $60.3 million.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). As of June 30, 2026, we owned approximately 94% of the outstanding equity in Clarion. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect

common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, Pennsylvania, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended June 30, 2026 was approximately $36.0 million.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC ("Arrow") headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics ("McLoone"). Founded in 1954 and headquartered in La Crosse, Wisconsin, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, Missouri, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended June 30, 2026 was approximately $36.4 million.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, South Carolina, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended June 30, 2026 was approximately $48.8 million.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us. As of June 30, 2026, we owned approximately 94% of Sill.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total revenue for the trailing twelve months ended as of June 30, 2026 was approximately $43.8 million.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, Massachusetts, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.
- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company ("Young"). Founded in 1920 and headquartered in Blue Bell, Pennsylvania, Young is a public adjusting firm serving the Philadelphia market.
- In November 2025, we made an additional equity investment of $5.7 million to finance Sill's acquisition of Precision Public Adjusting ("Precision"). Founded in 2020 and headquartered in Suwanee, Georgia, Precision is a public adjusting firm primarily serving residential customers in the greater Atlanta market.
- In April 2026, we made an additional equity investment of $1.8 million to finance Sill's acquisition of Berman Adjusters ("Berman"). Founded in 1984 and headquartered in Newton, Massachusetts, Berman is a public adjusting firm serving both residential and commercial customers in the greater New England market.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended June 30, 2026, was approximately $171.8 million. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. ("AWR"). Headquartered in Austin, Texas, AWR provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.
- In February 2025, USA Water acquired Cenla Environmental Science ("Cenla"). Founded in 1994 and headquartered in Alexandria, Louisiana, Cenla is a provider of water and wastewater laboratory testing, operations, and maintenance services for municipal and commercial customers.
- In May 2025, USA Water acquired Florida Utility Solutions ("FUS"). Headquartered in Naples, Florida, FUS is a provider of operations, maintenance, and repair services for water and wastewater treatment plants throughout the state of Florida.
- In August 2025, USA Water acquired Tindall Enterprises, Inc. ("Tindall"). Headquartered in Blackshear, Georgia, Tindall provides full-scale water utility, laboratory and property environmental services to municipal, agricultural, industrial, and private entities.
- In January 2026, USA Water acquired DigDug Construction, LLC ("DigDug"). Headquartered in Austin, Texas, DigDug provides construction services to a wide range of stormwater, pond systems, including retention, detention,

biofiltration, and water quality ponds. The company provides full-service construction, maintenance, inspection and best management practice compliance services to its customers.

- In April 2026, USA Water acquired South Florida Lift Stations ("SFLS"). Headquartered in Fort Myers, Florida, SFLS is a provider of wastewater infrastructure solutions, specializing in lift stations, septic tanks, irrigation stations, and commercial and residential control systems. The acquisition strengthens USA Water's presence in the South Florida market.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR. As of June 30, 2026, we owned approximately 8% of LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. The total revenue for LBR for the trailing twelve months ended June 30, 2026 was approximately $236.7 million. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its partnership with ICG.

- In April 2025, we made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.
- In October 2025, LBR acquired Legal Geek, a legal technology events platform headquartered in London.
- In December 2025, LBR acquired TLTF Summit, a conference for decision-makers at the intersection of law and technology.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management. As of June 30, 2026, we owned approximately 57% of MAP.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance,

fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. MAP Retirement's total revenue for the trailing twelve months ended June 30, 2026 was approximately $52.2 million. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement's acquisition of Qualified Plan Consultants ("QPC"). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement's presence in Iowa and the Midwest.
- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement's acquisition of AimPoint Pension ("AimPoint"). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement's Southeast presence.
- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement's acquisition of Pension Plan Specialists ("PPS"). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.
- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.
- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.
- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. ("Blue Chip"), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.
- In October 2025, MAP acquired Retirement Solutions Specialists, a third-party administrator for retirement plans headquartered in Jacksonville, Florida.

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands, and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, New Jersey and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

- In December 2025, we made an additional debt investment of $4.5 million to finance IFPG's acquisition of Franchise Business Review, a leading franchise survey platform. Founded in 2004 and headquartered in Portsmouth, New Hampshire, Franchise Business Review is a technology-enabled platform performing franchisee surveys for franchise brands to improve insights into its operational and franchise development performance and leverages its data for research and benchmarking studies, awards licensing and advertising.
- In April 2026, we made an additional equity investment of $3.0 million to finance IFPG's acquisition of Business Alliance Inc. ("Business Alliance"). Founded in 1991 and headquartered in Tacoma, Washington, Business Alliance is a franchise brokerage and consultancy business serving the franchise industry.

Shipley Do-Nuts

Overview. On September 25, 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC, which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P., an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC Holdco LLC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents approximately 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Company Overview. Headquartered in Houston, Texas, Shipley Do-Nuts is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its 90+ year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

Investment Highlights. We believe Shipley Do-Nuts has delivered robust historical growth across both same-store sales and unit count and continues to build upon a strong reputation for high quality products and customer service that it established over its 90+ year operating history. We believe Shipley Do-Nuts operates in the attractive donut market and has strong brand awareness. We believe Shipley Do-Nuts is highly franchised and has an established franchise network. Lastly, we believe Shipley Do-Nuts has an attractive financial profile driven by its largely recurring revenue base and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for Shipley Do-Nuts: (i) continued track record of positive same-store sales growth, (ii) continue to open new units, and (iii) investment in marketing and other areas.

USA Industries

Overview. On December 11, 2025, we, through our wholly-owned subsidiaries, USA-Ind Strategic Capital EquityCo, LLC and USA-Ind Strategic Capital DebtCo, LLC, made an approximately $5.0 million indirect co-investment alongside other vehicles managed by affiliates of the Sub-Manager in USA Industries TopCo, LLC, which owns a controlling equity interest in USA Industries ("USA Industries"). Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $4.2 million and $0.8 million through a participation interest in secured debt of USA Industries. Our equity investment represents approximately 4% of the total equity ownership of USA Industries.

Company Overview. Headquartered in Houston, Texas, USA Industries is a manufacturer of industrial flow control and testing products serving refinery / petrochemical, chemical, and industrial end markets. USA Industries was founded in 1982.

Investment Highlights. Over its 40+-year operating history, we believe that USA Industries' historical revenue growth has been supported, in part, by its long-tenured and diverse customer base. We further believe that the large number of products in USA Industries' product portfolio combined with USA Industries' in-house engineering capabilities enable potential competitive advantages through the speed of delivery of its products, high customer service, and customization. As the installed

base of infrastructure continues to age, we believe that USA Industries is well positioned to benefit from the anticipated product demand associated with required maintenance, repairs and operational needs within the end markets which USA Industries serves.

Growth Opportunities. The following are key growth opportunities for USA Industries: (i) sales force optimization, (ii) geographic expansion, (iii) new product development, and (iv) strategic M&A to further bolster the company's scale and presence.

Financing Line of Credit

CNL Strategic Capital B, Inc. ("Borrower"), our wholly-owned subsidiary, us, and Valley National Bank, a Tennessee banking corporation, (referred to as "Valley National Bank") have entered into a Loan and Security Agreement, as amended, (the "Loan Agreement") for a fifty million dollar ($50.0 million) revolving line of credit (the "Line of Credit"). Under the Loan Agreement, in the sole and absolute discretion of Valley National Bank, the Line of Credit may be increased to a maximum commitment amount of one hundred million dollars ($100 million). If increased, the additional commitment amount will be subject to a commitment fee of twenty-five hundredths of one percent (0.25%) on such an increased Line of Credit amount if utilized. The Borrower is required to pay interest on any borrowed amounts under the Line of Credit at a rate per year equal to the 1-Month Term secured overnight financing rate ("SOFR") plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of fifteen hundredths of one percent (0.15%) on the difference between (i) the fifty million dollar Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the Loan Agreement at any time and such borrowings are required to be repaid within one hundred and eighty (180) days of the borrowing date. Under the Loan Agreement, we are required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by us. Under the Loan Agreement, the Line of Credit may be used to finance the repurchase of our shares from our shareholders in an amount not to exceed 90% of our trailing six months new net investment proceeds excluding reinvested distributions. Additionally, unless further extended, the Loan Agreement has a maturity date of November 15, 2026. In connection with the Loan Agreement, we previously entered into a Guaranty agreement to act as a guarantor of the Borrower's outstanding borrowings under the Loan Agreement (the "Guaranty Agreement") we and the Borrower also entered into a pledge and assignment of bank and deposit accounts ("Pledge Agreement") in favor of Valley National Bank. Under the Pledge Agreement, we are required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company's offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the Loan Agreement.

Management

The following disclosure supersedes and replaces the sections "Management—Sub-Management Fees" and "Management—Transaction Fees," respectively, which first appears on page 108 of the Prospectus.

Sub-Management Fees

The Sub-Management Agreement provides that the Sub-Manager will receive 50% of the base management fees and total return incentive fees payable under the Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement and subject to further reduction for the portion of monitoring fees attributable to us as described under "—Monitoring Fees" below. Such fees are payable by the company to the Sub-Manager on a monthly basis in arrears. Any deferral, waiver or other modification of the fees to be paid by the company (including, without limitation, the manner and timing by which such fees are paid or payable by the company) will require the prior written consent of the Sub-Manager.

Transaction Fees

The Sub-Manager and its affiliates may charge our businesses transaction fees including, without limitation, investment banking fees, financing fees, capital fees, arrangement fees, structuring fees, acquisition advisory fees, disposition fees, liquidation fees, break-up fees and other similar fees in connection with services customarily performed in connection with the management of our businesses and therefore our shareholders may be indirectly subject to such fees. Pursuant to the Sub-Management Agreement, the Sub-Manager and its affiliates are entitled to transaction fees, which, per calendar year, are limited to:

- Up to $1.5 million if the company has less than $300 million of total assets. Any transaction fees received by the Sub-Manager and its affiliates in excess of $1.5 million, if we have less than $300 million of total assets, shall be paid to the company.
- Up to $2.0 million if the company has greater than $300 million but less than $500 million of total assets. Any transaction fees received by the Sub-Manager and its affiliates in excess of $2.0 million, if we have $300 million or greater of total assets but less than $500 million of total assets, shall be paid to the company.
- Up to $2.5 million if the company has greater than $500 million but less than $750 million of total assets. Any transaction fees received by the Sub-Manager and its affiliates in excess of $2.5 million, if we have $500 million or greater of total assets but less than $750 million of total assets, shall be paid to the company.
- Up to $3.0 million if the company has greater than $750 million but less than $1 billion of total assets. Any transaction fees received by the Sub-Manager and its affiliates in excess of $3.0 million, if we have $750 million or greater of total assets but less than $1.0 billion of total assets, shall be paid to the company.
- Up to $3.5 million if the company has greater than $1 billion of total assets. Any transaction fees charged to businesses in excess of $3.5 million shall be paid to the company.

On a quarterly basis, our board of directors receives a report of all transaction fees charged to our businesses by the Sub-Manager and its affiliates, including the reasonable details of services actually performed for such fees. Prior to any transaction fee that individually or as a series of related expenses exceeds $100,000 being charged to any of our businesses, the Sub-Manager shall obtain the approval of a majority of our board of directors, including a majority of the independent directors.

Only that portion of any transaction fee payable in respect of our equity interest in an applicable business on a basic share basis (and, in the case of any convertible preferred or other convertible instrument, assuming such instrument had been converted into equity) will be subject to the limitations set forth above.

The following disclosure supplements the section entitled "Management", which first appear on page 108 of the Prospectus as a new section entitled "Monitoring Fees."

Monitoring Fees

Affiliates of the Sub-Manager may charge periodic monitoring or similar fees to our minority equity positions (i.e., businesses in which the company does not own more than 50% of the voting securities) in connection with ongoing monitoring

services provided by such affiliates with respect to those businesses ("monitoring fees"). Affiliates of the Sub-Manager are not permitted to charge monitoring fees to any business in which the company owns more than 50% of the voting securities.

For any calendar month in which an affiliate of the Sub-Manager has received monitoring fees from one or more of our businesses, the Sub-Manager's share of the base management fee otherwise payable to it for such month will be reduced (but not below zero) by the pro rata portion of any monitoring fees attributable to us based on our equity interest in the applicable business on a basic share basis (and, in the case of any convertible preferred or other convertible instrument, assuming such instrument had been converted into equity). Any excess of such attributable monitoring fees over the Sub-Manager's share of the base management fee for a given month will be carried forward on a cumulative basis to reduce the Sub-Manager's share of the base management fee in subsequent months.

At the end of each calendar year (or upon earlier termination of the Sub-Management Agreement), any cumulative excess monitoring fee amounts that remain unapplied will be applied first as an offset against the total return incentive fee, if any, payable to the Sub-Manager for that year. To the extent any excess monitoring fee amounts remain after such offset (including where no total return incentive fee is payable), the Sub-Manager will pay such remaining amount in cash to us within 30 days following the end of the applicable calendar year (or termination, as applicable).

No later than five business days after the end of each calendar month, the Sub-Manager will deliver to the Manager and to us a written statement setting forth (i) the identity of each business from which monitoring fees were received during such month, (ii) the amount of monitoring fees received from each such business, (iii) the amount of monitoring fees from each such business attributable to us and (iv) the resulting reduction to the Sub-Manager's share of the base management fee for such month. On a quarterly basis, our board of directors will receive a report of all monitoring fees charged to our businesses by affiliates of the Sub-Manager, including the identity of such businesses, the amount allocated to us, and the resulting offset against the base management fee. Monitoring fees are not transaction fees and are not subject to the annual caps described above under "— Transaction Fees."

Additional Reference Updates

All references to the Sub-Management Fees provided under the Sub-Management Agreement are hereby updated to be "subject to further reduction for the portion of monitoring fees attributable to us" as described under "Monitoring Fees."

All references that the base management fee and total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under "the Management Agreement and the Expense Support and Conditional Reimbursement Agreement" are hereby supplemented to also include "the Sub-Management Agreement."

Compensation of the Manager, the Sub-Manager and the Managing Dealer

The following disclosure supersedes and replaces footnote (4) to the table under the section entitled "Compensation of the Manager, the Sub-Manager and the Managing Dealer," respectively, which first appears on page 137 of the Prospectus.

(4) These fees may or may not be taken in whole or in part at the discretion of the Manager or the Sub-Manager. All or any part of these fees not taken as to any period shall be deferred without interest and may be taken in any other period as the Manager or the Sub-Manager shall determine. Our businesses may pay transaction fees to the Sub-Manager and its affiliates for services the Sub-Manager or its affiliates provide to them and therefore our shareholders may be indirectly subject to such fees. See "Management—Sub-Management Agreement—Transaction Fees." Affiliates of the Sub-Manager may charge periodic monitoring or similar fees to our minority equity positions (i.e., businesses in which the company does not own more than 50% of the voting securities) in connection with ongoing monitoring services provided by such affiliates with respect to those businesses. See "Management—Sub-Management Agreement—Monitoring Fees."

Financial Statements

The Prospectus is hereby supplemented with the following financial information, which is excerpted from Part I—Item 1. "Financial Statements" in our Quarterly Report on Form 10-Q for the quarterly period ended on June 30, 2026.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	June 30, 2026 (Unaudited)	December 31, 2025
Assets		
Investments at fair value:		
Portfolio company investments (amortized cost of $1,053,174 and $1,029,526, respectively)	$ 1,478,425	$ 1,404,092
Cash and cash equivalents	80,383	84,798
Receivable for shares sold	—	14,106
Paid-in-kind ("PIK") receivable	2,008	—
Prepaid expenses and other assets	339	165
Total assets	1,561,155	1,503,161
Liabilities		
Due to related parties, net (Note 5)	17,037	31,790
Payable for shares repurchased	34,347	28,056
Deferred tax liabilities, net	28,061	22,909
Accounts payable and other accrued expenses	1,808	2,049
Total liabilities	81,253	84,804
Commitments and contingencies (Note 11)		
Members' Equity (Net Assets)		
Preferred shares, $0.001 par value, 50,000 shares authorized and unissued	—	—
Class FA Common shares, $0.001 par value, 7,400 shares authorized; 4,844 shares issued; 3,616 and 3,724 shares outstanding, respectively	4	4
Class A Common shares, $0.001 par value, 94,660 shares authorized; 10,151 and 9,559 shares issued, respectively; 9,176 and 9,026 shares outstanding, respectively	9	9
Class T Common shares, $0.001 par value, 558,620 shares authorized; 4,354 and 4,155 shares issued, respectively; 1,841 and 2,171 shares outstanding, respectively	2	2
Class D Common shares, $0.001 par value, 94,660 shares authorized; 3,456 and 3,419 shares issued, respectively; 2,961 and 3,051 shares outstanding, respectively	3	3
Class I Common shares, $0.001 par value, 94,660 shares authorized; 21,407 and 19,501 shares issued, respectively; 17,706 and 16,598 shares outstanding, respectively	17	17
Class S Common shares, $0.001 par value, 100,000 shares authorized; 1,770 shares issued; 1,652 and 1,688 shares outstanding, respectively	2	2
Capital in excess of par value	1,150,862	1,124,711
Distributable earnings	329,003	293,609
Total Members' Equity	$ 1,479,902	$ 1,418,357
Net asset value per share:		
Class FA	$ 44.34	$ 42.98
Class A	$ 39.14	$ 38.21
Class T	$ 39.06	$ 38.15
Class D	$ 38.87	$ 37.94
Class I	$ 39.50	$ 38.64
Class S	$ 44.81	$ 43.48

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Investment income				
From portfolio company investments:				
Interest income	$ 10,794	$ 10,475	$ 21,483	$ 20,771
Dividend income	8,622	5,009	17,575	8,940
PIK income	2,336	1,896	4,536	3,552
From cash accounts				
Interest income	444	837	875	1,860
Total investment income	22,196	18,217	44,469	35,123
Operating expenses				
Total return incentive fees	7,050	13,079	13,029	13,467
Base management fees	6,860	5,765	13,434	11,070
Offering expenses	201	610	383	1,150
Professional services	758	824	1,778	1,488
Pursuit costs	106	274	244	691
Distribution and shareholder servicing fees	493	497	998	988
Custodian and accounting fees	333	148	500	296
Insurance expense	63	55	118	110
Director fees and expenses	63	52	144	103
General and administrative expenses	157	102	216	183
Interest expense	53	99	87	156
Total operating expenses	16,137	21,505	30,931	29,702
Expense support	—	(3,883)	—	(3,892)
Reimbursement of expense support	970	—	970	—
Net operating expenses	17,107	17,622	31,901	25,810
Net investment income before taxes	5,089	595	12,568	9,313
Income tax expense	(68)	(30)	(100)	(47)
Net investment income	5,021	565	12,468	9,266
Realized and unrealized gain (loss) on investments and foreign currency				
Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss):				
Portfolio company investments	28,972	48,979	50,662	60,218
Provision for deferred taxes on investments	(2,647)	(3,640)	(5,152)	(5,013)
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	26,325	45,339	45,510	55,205
Net gain on investments	26,325	45,339	45,510	55,205
Net increase in net assets resulting from operations	$ 31,346	$ 45,904	$ 57,978	$ 64,471

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net increase in net assets resulting from operations per share				
Class FA	$ 1.07	$ 1.56	$ 1.99	$ 2.17
Class A	$ 0.84	$ 1.27	$ 1.56	$ 1.81
Class T	$ 0.76	$ 1.07	$ 1.41	$ 1.57
Class D	$ 0.81	$ 1.21	$ 1.49	$ 1.72
Class I	$ 0.79	$ 1.34	$ 1.49	$ 1.86
Class S	$ 1.05	$ 1.61	$ 1.96	$ 2.22
Weighted average shares				
Class FA	3,660	3,921	3,691	3,968
Class A	9,319	8,473	9,232	8,381
Class T	1,970	2,453	2,035	2,479
Class D	2,991	3,034	3,025	3,059
Class I	17,508	14,973	17,200	14,689
Class S	1,670	1,707	1,679	1,709

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND SIX MONTHS ENDED JUNE 30, 2026
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of March 31, 2026	36,714	$ 37	$ 1,141,979	$ 309,035	$ 1,451,051
Net investment income	—	—	—	5,021	5,021
Net change in unrealized appreciation on investments	—	—	—	26,325	26,325
Distributions to shareholders	—	—	—	(11,378)	(11,378)
Issuance of common shares through the Public Offerings	953	—	37,254	—	37,254
Issuance of common shares through distribution reinvestment plan	153	—	5,975	—	5,975
Repurchase of common shares pursuant to share repurchase program	(868)	—	(34,346)	—	(34,346)
Balance as of June 30, 2026	36,952	$ 37	$ 1,150,862	$ 329,003	$ 1,479,902

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2025	36,258	$ 37	$ 1,124,711	$ 293,609	$ 1,418,357
Net investment income	—	—	—	12,468	12,468
Net change in unrealized appreciation on investments	—	—	—	45,510	45,510
Distributions to shareholders	—	—	—	(22,584)	(22,584)
Issuance of common shares through the Public Offerings	1,949	1	75,810	—	75,811
Issuance of common shares through distribution reinvestment plan	306	—	11,834	—	11,834
Repurchase of common shares pursuant to share repurchase program	(1,561)	(1)	(61,493)	—	(61,494)
Balance as of June 30, 2026	36,952	$ 37	$ 1,150,862	$ 329,003	$ 1,479,902

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND SIX MONTHS ENDED JUNE 30, 2025

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of March 31, 2025	34,154	$ 35	$ 1,047,335	$ 207,843	$ 1,255,213
Net investment income	—	—	—	565	565
Net change in unrealized appreciation on investments	—	—	—	45,339	45,339
Distributions to shareholders	—	—	—	(10,547)	(10,547)
Issuance of common shares through the Public Offerings	961	1	35,176	—	35,177
Issuance of common shares through distribution reinvestment plan	146	—	5,335	—	5,335
Repurchase of common shares pursuant to share repurchase program	(302)	—	(11,190)	—	(11,190)
Balance as of June 30, 2025	34,959	$ 36	$ 1,076,656	$ 243,200	$ 1,319,892

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2024	33,704	$ 34	$ 1,031,526	$ 199,648	$ 1,231,208
Net investment income	—	—	—	9,266	9,266
Net change in unrealized appreciation on investments	—	—	—	55,205	55,205
Distributions to shareholders	—	—	—	(20,919)	(20,919)
Issuance of common shares through the Public Offerings	1,771	3	64,376	—	64,379
Issuance of common shares through distribution reinvestment plan	290	—	10,510	—	10,510
Repurchase of common shares pursuant to share repurchase program	(806)	(1)	(29,756)	—	(29,757)
Balance as of June 30, 2025	34,959	$ 36	$ 1,076,656	$ 243,200	$ 1,319,892

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2026	**2025**
Operating Activities:		
Net increase in net assets resulting from operations	$ 57,978	$ 64,471
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio company investments	(22,273)	(158,946)
Proceeds from return of capital on portfolio company investments	1,130	984
Net change in unrealized appreciation on investments and foreign currency transactions, excluding deferred taxes	(50,662)	(60,218)
PIK income	(4,536)	(3,552)
Amortization of deferred financing costs	50	—
Decrease in due to related parties	(14,753)	(13,914)
(Decrease) increase in accounts payable and other accrued expenses	(241)	522
Increase in deferred tax liabilities, net	5,152	5,013
(Decrease) increase in prepaid expenses and other assets	(144)	150
Other operating activities	—	47
Net cash used in operating activities	(28,299)	(165,443)
Financing Activities:		
Proceeds from issuance of common shares	89,917	53,031
Payment on repurchases of common shares	(55,203)	(37,736)
Proceeds from line of credit	—	30,000
Distributions paid, net of distributions reinvested	(10,750)	(10,409)
Deferred financing costs	(80)	(134)
Net cash provided by financing activities	23,884	34,752
Net decrease in cash	(4,415)	(130,691)
Cash and cash equivalents, beginning of period	84,798	146,319
Cash and cash equivalents, end of period	$ 80,383	$ 15,628
Supplemental disclosure of cash flow information and non-cash financing activities:		
Distributions reinvested	$ 11,834	$ 10,510
Amounts incurred but not paid (including amounts due to related parties):		
Offering costs	$ 50	$ 187
Payable for shares repurchased	$ 34,347	$ 11,190

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF JUNE 30, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.5%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc.	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Notes – First Lien					66,990	66,990
Senior Secured Note –11.9%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC[5]	Franchise Consulting Services	15.0%	6/23/2032	27,500	27,500	27,500
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2028	15,700	15,700	15,700
Sill Holdings, LLC[5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,251	24,251	24,251
Total Senior Secured Note					175,702	175,702
Senior Secured Notes – Second Lien – 4.3%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc.	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries, Inc.	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Industries Holdings, LLC	Engineered Products	16.0%	6/9/2033	804	804	804
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes – Second Lien					63,206	63,206
Senior Secured PIK Notes - 1.2%						
LOCI Topco Limited[6][7]	Legal Services	3.84% PIK[10]	5/17/2039	8,959	$ 8,959	$ 8,928
LOCI Topco Limited[6][8]	Legal Services	3.84% PIK[10]	5/17/2039	8,959	8,959	8,928
Total Senior Secured PIK Notes					17,918	17,856
Total Senior Secured Notes					**$ 323,816**	**$ 323,754**
Preferred Equity - 5.6%						
LOCI Topco Limited[6][11]	Legal Services	[9]		1,476,168	$ 1,476	$ 1,457

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF JUNE 30, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
LOCI Topco Limited[6][12]	Legal Services	8.50% PIK[10]		70,168,515	70,169	72,699
LOCI Topco Limited[6][13]	Legal Services	12.00% PIK[10]		8,806,288	8,806	8,767
Total Preferred Equity					80,451	82,923
Common Equity – 72.4%						
ATA Holding Company, LLC[14]	Real Estate Services			37,985	$ 37,125	$ 38,957
Auriemma U.S. Roundtables[14]	Information Services and Advisory Solutions			33,094	33,476	70,194
Blue Ridge ESOP Associates	Retirement Plan Services			15,027	20,969	63,666
Clarion Safety Systems, LLC[14]	Visual Safety Solutions			68,891	70,316	117,992
Healthcare Safety Holdings, LLC[14]	Healthcare Supplies			17,320	17,320	48,794
IFPG TopCo, LLC[14]	Franchise Consulting Services			93,371	93,500	94,055
LOCI Topco Limited[6]	Legal Services			104,624	134	5,187
Lawn Doctor, Inc.[14]	Commercial and Professional Services			7,746	27,610	101,965
Madison Retirement Holdings TopCo, LLC[14]	Retirement Plan Services			61,500	61,272	100,198
Milton Industries, Inc.	Engineered Products			8,060	10,911	24,153
Polyform Products, Co.[14]	Hobby Goods and Supplies			10,820	15,599	10,912
Resolution Economics, LLC	Legal Services			7,666	7,645	27,404
SDC Holdco LLC	Restaurant and Food			6,816	6,281	6,740
Sill Holdings, LLC[14]	Insurance Services			87,869	100,049	163,350
Tacmed Holdings, LLC[14]	Healthcare Supplies			77,528	77,434	109,039
USA Industries Holdings, LLC	Engineered Products			4,196	4,196	4,370
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,142	13,608
Vektek Holdings, LLC[14]	Engineered Products			56,928	56,928	71,164
Total Common Equity					648,907	1,071,748
TOTAL INVESTMENTS – 99.9%					**$ 1,053,174**	**$ 1,478,425**
OTHER ASSETS IN EXCESS OF LIABILITIES – 0.1%						1,477
NET ASSETS – 100.0%						$ 1,479,902

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.
(2) Percentages represent fair value as a percentage of net assets for each investment category.
(3) All investments are US based unless otherwise noted.
(4) As of June 30, 2026, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at June 30, 2026 was 3.63%.
(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.
(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.2% of net assets based on fair value as of June 30, 2026.
(7) Represents Tranche A2 PIK Notes, which are subordinate to other notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).
(8) Represents Tranche B2 PIK Notes, which are subordinate to other notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).

See notes to condensed consolidated financial statements.

(9) A2 Preferred Shares PIK income is computed using a 12.0% annual interest rate applied to a notional balance of: (a) the principal balances of the Tranche A2 PIK Notes and Tranche B2 PIK Notes compounded annually at 12%, less (b) the 3.84% fixed PIK interest generated from the Tranche A2 PIK Notes and Tranche B2 PIK Notes. A2 Preferred Shares PIK income is accrued and recorded as PIK receivable and capitalized to the principal balance on the anniversary date, as applicable.
(10) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as PIK receivable and capitalized to the principal balance on the anniversary date, as applicable.
(11) Represents A2 Preferred Shares of LOCI TopCo Limited.
(12) Represents B2 Preferred Shares of LOCI TopCo Limited.
(13) Represents B3 Preferred Shares of LOCI TopCo Limited.
(14) As of June 30, 2026, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.7%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Note - First Lien					66,990	66,990
Senior Secured Note –12.4%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC [5]	Franchise Consulting Services	15.0%	6/23/2032	27,500	27,500	27,500
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2028	15,700	15,700	15,700
Sill Holdings, LLC [5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,375	24,375	24,375
Total Senior Secured Note					175,826	175,826
Senior Secured Note – Second Lien – 4.5%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries, Inc.	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco, LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Industries Holdings, LLC	Engineered Products	16.0%	6/9/2033	804	804	804
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Note - Second Lien					63,206	63,206
Senior Secured PIK Notes - 1.3%						
LOCI Topco Limited[6][7]	Legal Services	3.84% PIK[9]	5/17/2039	9,192	9,192	9,306
LOCI Topco Limited[6][8]	Legal Services	3.84% PIK[9]	5/17/2039	9,191	9,191	9,305
Total Senior Secured PIK Notes					18,383	18,611
Total Senior Secured Notes					**$ 324,405**	**$ 324,633**
Preferred Equity – 5.7%						
LOCI Topco Limited [6][10]	Legal Services	8.16% PIK[9]		989,505	$ 990	$ 994
LOCI Topco Limited[6][11]	Legal Services	8.50% PIK[9]		67,997,448	67,997	71,697
LOCI Topco Limited[6][12]	Legal Services	12.00% PIK[9]		8,492,564	8,493	8,594
Total Preferred Equity					77,480	81,285

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Common Equity – 70.4%						
ATA Holding Company, LLC [13]	Real Estate Services			37,985	$ 37,125	$ 36,050
Auriemma U.S. Roundtables [13]	Information Services and Advisory Solutions			33,094	33,476	69,758
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	8,072	43,234
Clarion Safety Systems, LLC [13]	Visual Safety Solutions			68,891	70,316	108,558
Healthcare Safety Holdings, LLC [13]	Healthcare Supplies			17,320	17,320	44,533
IFPG TopCo, LLC[13]	Franchise Consulting Services			90,500	90,500	92,672
LOCI Topco Limited [6]	Legal Services			104,624	134	5,829
Lawn Doctor, Inc [13]	Commercial and Professional Services			7,746	27,610	100,355
Madison Retirement Holdings TopCo, LLC[13]	Retirement Plan Services			61,500	61,436	91,495
Milton Industries, Inc.	Engineered Products			7,395	8,903	19,898
Polyform Products, Co. [13]	Hobby Goods and Supplies			10,820	15,599	10,752
Resolution Economics, LLC	Legal Services			7,666	7,645	23,163
SDC Holdings, LLC	Restaurant and Food			6,816	6,764	7,123
Sill Holdings, LLC [13]	Insurance Services			85,828	96,249	157,788
Tacmed Holdings, LLC [13]	Healthcare Supplies			77,000	76,744	100,331
USA Industries Holdings, LLC	Engineered Products			4,196	4,196	4,196
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	13,199
Vektek Holdings, LLC [13]	Engineered Products			56,928	56,928	69,240
Total Common Equity					627,641	998,174
Total Investments – 99.0%					$ 1,029,526	$ 1,404,092
OTHER ASSETS IN EXCESS OF LIABILITIES–1.0%						14,265
NET ASSETS–100.0%						$ 1,418,357

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.
(2) Percentages represent fair value as a percentage of net assets for each investment category.
(3) All investments are US based unless otherwise noted.
(4) As of December 31, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60% and SOFR + 4.60%, respectively. SOFR at December 31, 2025 was 3.79%.
(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.
(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.5% of net assets based on fair value as of December 31, 2025.
(7) Represents Tranche A2 PIK Notes, which are subordinate to other notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).
(8) Represents Tranche B2 PIK Notes, which are subordinate to other notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).
(9) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance on the anniversary date, as applicable.
(10) Represents A2 Preferred Share of LOCI TopCo Limited.
(11) Represents B2 Preferred Shares of LOCI TopCo Limited.
(12) Represents B3 Preferred Shares of LOCI TopCo Limited.
(13) As of December 31, 2025, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

1. Principal Business and Organization

CNL Strategic Capital, LLC (the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. The Company is externally managed by CNL Strategic Capital Management, LLC (the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"). The Manager is responsible for the overall management of the Company's activities and the Sub-Manager is responsible for the day-to-day management of the Company's assets. The Manager and the Sub-Manager are each registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Company conducts and intends to continue its operations so that the Company and each of its subsidiaries do not fall within, or are excluded from, the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company intends to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. The Company's business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. The Company seeks to structure its investments with limited, if any, third-party senior leverage.

The Company intends for a significant majority of its total assets to be comprised of long-term controlling equity interests and debt positions in the businesses it acquires. In addition, and to a lesser extent, the Company may acquire other debt and minority equity positions. The Company intends to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. The Company may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. The Company expects that these positions will comprise a minority of its total assets.

The Company commenced its initial public offering of up to $1.1 billion of its limited liability company interests ("shares") on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, the Company commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Follow-On Registration Statement"). On November 1, 2024, the Company commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering," and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through its distribution reinvestment plan pursuant to a registration statement on Form S-1 (the "Second Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"), and terminated the Follow-On Public Offering.

Through the Second Follow-On Public Offering, the Company is offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, the "Non-founder shares"). There are differing selling fees and commissions and dealer manager fees for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Second Follow-On Public Offering (excluding sales pursuant to its distribution reinvestment plan). See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" for additional information related to the Public Offerings.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Financial Accounting Standards Board Accounting Standards Codification ("ASC"), which requires the use of estimates, assumptions and the exercise of subjective judgment as to future uncertainties. In the opinion of management, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and necessary for the fair presentation of financial results as of and for the periods presented.

Although the Company is organized and intends to conduct its business in a manner so that it is not required to register as an investment company under the Investment Company Act, its financial statements are prepared using the specialized accounting principles of ASC Topic 946, "Financial Services—Investment Companies" ("ASC Topic 946") to utilize investment company accounting. The Company obtains funds through the issuance of equity interests to multiple unrelated investors, and provides such investors with investment management services. Further, the Company's business strategy is to acquire interests in middle-market U.S. businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, the Company believes that the use of investment company accounting on a fair value basis is consistent with the management of its assets on a fair value basis, and makes the Company's financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in the Company as compared to other investment products in the marketplace.

Principles of Consolidation

Under ASC Topic 946 the Company is precluded from consolidating any entity other than an investment company or an operating company which provides substantially all of its services to benefit the Company. In accordance therewith, the Company has consolidated the results of its wholly owned subsidiaries that are investment companies in its condensed consolidated financial statements. However, the Company has not consolidated the results of its subsidiaries in which the Company holds debt and equity investments. All intercompany account balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds at commercial banks. Demand deposits are carried at cost plus accrued interest, which approximates fair value. The Company deposits its cash with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Use of Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. The uncertainty of future events may materially impact the accuracy of the estimates and assumptions used in the financial statements and related footnotes and actual results could differ from those estimates.

Valuation of Investments

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") clarifies that fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs.

In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 2 or Level 3 asset.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets, where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes, are generally valued using Level 2 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3 – Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls will be determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each asset.

The Company's board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the Company's valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, its audit committee, and the independent third-party valuation firm. The determination of the fair value of the Company's Level 3 assets requires judgment, which include assets for which market prices are not available. For most of the Company's assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of the Company's net asset value is based, in part, on the fair value of its assets, the Company's calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that the Company ultimately realizes upon the disposal of such assets. Furthermore, through the valuation process, the Company's board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

The Company may also look to private merger and acquisition statistics, public trading multiples adjusted for illiquidity and other factors, valuations implied by third-party investments in the businesses or industry practices in determining fair value. The Company may also consider the size and scope of a business and its specific strengths and weaknesses, as well as any other factors it deems relevant in assessing the value.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation on Investments

The Company will measure realized gains or losses as the difference between the net proceeds from the sale, repayment, or disposal of an asset and the amortized cost basis of the asset, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on investments will reflect the change in asset values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Securities

The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)" in the Company's condensed consolidated statements of operations.

Income Recognition

Interest Income – Interest income from loans and debt securities is recorded on an accrual basis to the extent that the Company expects to collect such amounts. The Company does not accrue as a receivable interest on loans and debt securities for accounting purposes if it has reason to doubt its ability to collect such interest.

The Company places loans on non-accrual status when principal and interest are past due 90 days or more or when there is a reasonable doubt that the Company will collect principal or interest. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are generally restored to accrual status when past due principal and interest amounts are paid and, in management's judgment, are likely to remain current. Since inception, the Company has not experienced any past due payments on any of its loan investments.

Dividend Income **–** Dividend income is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Each distribution received from an equity investment is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments as dividend income unless there are sufficient current or accumulated earnings prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

PIK Income - PIK income is computed at the contractual rate specified in each instrument's applicable agreement and is accrued and recorded as income and capitalized to the principal balance of the instrument on the anniversary date, as applicable. Such income is accrued only to the extent that the Company believes that the PIK income is probable of being collected. PIK income capitalized to the principal balance is generally collected upon redemption or maturity of the instrument.

Paid in Capital

The Company records the proceeds from the sale of its common shares on a net basis to (i) capital shares at par value and (ii) paid in capital in excess of par value, excluding upfront selling commissions and dealer manager fees.

Share Repurchases

Under the Company's share repurchase program (the "Share Repurchase Program"), shares are redeemed as of the repurchase date, which will generally be the last business day of the month of a calendar quarter. Shares redeemed are retired and not available for reissue. See Note 7. "Capital Transactions" for additional information.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

Distribution and Shareholder Servicing Fees

The Company pays distribution and shareholder servicing fees with respect to its Class T and Class D shares, as described further below in Note 5. "Related Party Transactions." The Company records the distribution and shareholder servicing fees, which accrue daily, in the Company's condensed consolidated statements of operations as they are incurred.

Deferred Financing Costs

Financing costs, including upfront fees, commitment fees and legal fees related to borrowings (as further described in Note 8. "Borrowings") are deferred and amortized over the life of the related financing instrument using the effective yield method. The amortization of deferred financing costs is included in general and administrative expense in the Company's condensed consolidated statements of operations.

Allocation of Profit and Loss

Class-specific expenses, including base management fees, total return incentive fees, offering expenses, expense support (reimbursement), distribution and shareholder servicing fees and certain transfer agent fees, are allocated to each share class of common shares in accordance with how such expenses are attributable to the particular share classes, as determined by the Company's board of directors, the Company's governing agreements and, in certain cases, expenses which are specifically identifiable to a share class.

The following table reflects class-specific expenses by share class during the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 260	$ 1,925	$ 344	$ 579	$ 3,606	$ 146
Total return incentive fees	435	1,959	374	608	3,479	195
Offering expenses	—	2	18	—	181	—
Expense support reimbursement	—	—	—	—	970	—
Other class-specific expenses [1]	16	88	200	168	337	12

	Six Months Ended June 30, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 523	$ 3,765	$ 712	$ 1,159	$ 6,983	$ 292
Total return incentive fees	810	3,591	700	1,120	6,445	363
Offering expenses	—	3	36	2	342	—
Expense support reimbursement	—	—	—	—	970	—
Other class-specific expenses [1]	24	132	394	317	601	18

	Quarter Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 273	$ 1,600	$ 424	$ 545	$ 2,783	$ 140
Total return incentive fees	669	3,668	924	1,263	6,270	285
Offering expenses	—	39	88	16	467	—
Expense support	(73)	(675)	(107)	(216)	(2,672)	(140)
Other class-specific expenses [1]	8	42	220	143	222	5

	Six Months Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 541	$ 3,069	$ 834	$ 1,068	$ 5,285	$ 273
Total return incentive fees	939	3,668	924	1,263	6,270	403
Offering expenses	—	97	145	32	876	—
Expense support	(73)	(675)	(107)	(216)	(2,672)	(149)
Other class-specific expenses [1]	16	82	442	288	435	11

[1] Other class-specific expenses consist of distribution and shareholder servicing fees and certain transfer agent fees.

Income and expenses which are not class-specific are allocated monthly pro rata among the share classes based on shares outstanding as of the end of the month.

Net Investment Income per Share and Net Increase in Net Assets Resulting from Operations per Share

Net investment income per share and net increase in net assets resulting from operations per share are calculated for each share class of common shares based upon the weighted average number of common shares outstanding during the reporting period.

Distributions

The Company's board of directors has declared and intends to continue to declare distributions based on monthly record dates. The Company's distributions are paid in the same month as the declared record date. Distributions are made on all classes of the Company's shares at the same time.

The Company has adopted a distribution reinvestment plan that provides for reinvestment of distributions on behalf of shareholders. Non-founder shareholders participating in the distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable at a price per share equivalent to the then current public offering price, net of up-front selling commissions and dealer manager fees. Cash distributions paid on Class FA shares participating in the distribution reinvestment plan are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

Income Taxes

Under GAAP, the Company is subject to the provisions of ASC 740, "Income Taxes." The Company follows the authoritative guidance on accounting for uncertainty in income taxes and concluded it has no material uncertain tax positions to be recognized at this time. If applicable, the Company will recognize interest and penalties related to unrecognized tax benefits as income tax expense in the Company's condensed consolidated statements of operations.

The Company has operated and expects to continue to operate so that it will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation. Generally, if the Company were otherwise treated as a publicly traded partnership, the Company would not be taxable as a corporation if 90% or more of its gross income for each taxable year consists of "qualifying income" (generally, interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items) and the Company is not required to register under the Investment Company Act (the "qualifying income exception"). As a partnership, the individual shareholders are responsible for their proportionate share of the Company's taxable income.

The Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, and related tax assets and liabilities of the Taxable Subsidiaries are reflected in the Company's condensed consolidated financial statements. See Note 9. "Income Taxes" for additional information.

During the quarter and six months ended June 30, 2026 and 2025, the Company did not incur any material interest or penalties. Tax years ending December 31, 2022 and forward remain subject to examination by taxing authorities.

Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (the "CODM") is the Company's chief operating officer and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). In addition to numerous other factors and metrics, the CODM utilizes net income, net assets and total return as key metrics in determining the amount of distributions to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying consolidated statement of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

3. Investments

In January 2026 and April 2026, the Company made an additional equity investment in Sill Holdings, LLC ("Sill") of $2.0 million and $1.8 million, respectively.

In March 2026, the Company made an additional equity investment in Milton Industries, Inc. ("Milton") of approximately $2.0 million.

In April 2026, the Company made an additional equity investment in Tacmed Holdings, LLC ("TacMed") of approximately $0.7 million.

In April 2026, the Company made an additional equity investment in International Franchise Professionals Group ("IFPG") of approximately $3.0 million.

In May 2026, the Company made an additional equity investment in Blue Ridge ESOP Associates ("Blue Ridge") of approximately $12.9 million.

The Company's investment portfolio is summarized as follows as of June 30, 2026 and December 31, 2025 (in thousands):

	As of June 30, 2026			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	4.5 %	4.5 %
Secured	175,702	175,702	11.9	11.9
Second lien	63,206	63,206	4.3	4.3
PIK notes	17,918	17,856	1.2	1.2
Total senior secured debt	323,816	323,754	21.9	21.9
Preferred equity	80,451	82,923	5.6	5.6
Common equity	648,907	1,071,748	72.5	72.4
Total investments	**$ 1,053,174**	**$ 1,478,425**	**100.0 %**	**99.9 %**

	As of December 31, 2025			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	4.8 %	4.7 %
Secured	175,826	175,826	12.5	12.4
Second lien	63,206	63,206	4.5	4.5
PIK notes	18,383	18,611	1.3	1.3
Total senior secured debt	324,405	324,633	23.1	22.9
Preferred equity	77,480	81,285	5.8	5.7
Common equity	627,641	998,174	71.1	70.4
Total investments	**$ 1,029,526**	**$ 1,404,092**	**100.0 %**	**99.0 %**

FOOTNOTE:

(1) The amortized cost represents the original cost adjusted for return of capital, principal repayments and capitalized PIK income on the anniversary date, as applicable.

Collectively, the Company's debt investments accrue interest at a weighted average per annum rate of 12.5% and 15.6% and have weighted average remaining years to maturity of 3.6 years and 4.1 years as of June 30, 2026 and December 31, 2025, respectively. The note purchase agreements contain customary covenants and events of default. As of June 30, 2026, all of the Company's portfolio companies were in compliance with their respective debt covenants. As of June 30, 2026 and December 31, 2025, none of the Company's debt investments were on non-accrual status.

The industry dispersion of the Company's portfolio company investments, based on fair value, as of June 30, 2026 and December 31, 2025 were as follows:

Industry	June 30, 2026	December 31, 2025
Healthcare Supplies	14.3 %	14.1 %
Retirement Plan Services	12.3	10.9
Insurance Services	12.1	12.4
Commercial and Professional Services	10.9	11.3
Engineered Products	10.3	10.4
Visual Safety Solutions	9.5	9.3
Legal Services	9.2	9.4
Franchise Consulting Services	8.2	8.5
Information Services and Advisory Solutions	5.7	6.0
Real Estate Services	5.2	5.2
Hobby Goods and Supplies	1.8	1.9
Restaurant and Food	0.5	0.6
Total	100.0 %	100.0 %

Summarized Portfolio Company Financial Information

The Company had two significant portfolio companies in which it owned a controlling equity interest during the quarter and six months ended June 30, 2026 and 2025. The following tables present unaudited summarized operating data for the quarter and six months ended June 30, 2026 and 2025, and summarized balance sheet data as of June 30, 2026 (unaudited) and December 31, 2025 for these portfolio companies (in thousands):

Clarion

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 9,616	$ 8,764	$ 18,804	$ 15,278
Expenses	(7,623)	(7,122)	(14,874)	(13,489)
Income before taxes	1,993	1,642	3,930	1,789
Income tax expense	(544)	(450)	(1,066)	(491)
Net income	$ 1,449	$ 1,192	$ 2,864	$ 1,298

	As of June 30, 2026	As of December 31, 2025
Current assets	$ 16,021	$ 16,070
Non-current assets	82,280	82,914
Current liabilities	1,832	4,963
Non-current liabilities	24,530	23,524
Stockholders' equity	71,939	70,497
Ownership percentage[(1)]	94 %	95 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

Sill

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 12,177	$ 10,663	$ 21,791	$ 21,845
Expenses	(10,644)	(9,365)	(20,532)	(17,649)
Income before taxes	1,533	1,298	1,259	4,196
Income tax expense	(274)	(78)	(263)	(702)
Net income	$ 1,259	$ 1,220	$ 996	$ 3,494

	As of June 30, 2026	As of December 31, 2025
Current assets	$ 16,642	$ 13,812
Non-current assets	109,200	109,240
Current liabilities	6,790	6,946
Non-current liabilities	17,830	18,186
Stockholders' equity	101,222	97,920
Ownership percentage[(1)]	94 %	93 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

4. Fair Value of Financial Instruments

The Company's investments were categorized in the fair value hierarchy described in Note 2. "Significant Accounting Policies," as follows as of June 30, 2026 and December 31, 2025 (in thousands):

	As of June 30, 2026				As of December 31, 2025			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Senior Debt	$ —	$ —	$ 323,754	$ 323,754	$ —	$ —	$ 324,633	$ 324,633
Preferred Equity	—	—	82,923	82,923	—	—	81,285	81,285
Common Equity	—	—	1,071,748	1,071,748	—	—	998,174	998,174
Total Investments	**$ —**	**$ —**	**$ 1,478,425**	**$ 1,478,425**	**$ —**	**$ —**	**$ 1,404,092**	**$ 1,404,092**

The ranges of unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of June 30, 2026 and December 31, 2025 were as follows (in thousands):

As of June 30, 2026

Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input[2]**
Senior Debt	$ 323,754	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 18.0% (13.9%) 5.6x – 19.0x (12.7x)	Decrease Increase
Preferred Equity	82,923	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 18.0% (13.9%) 5.6x – 19.0x (12.7x)	Decrease Increase
Common Equity	1,071,748	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 18.0% (13.9%) 5.6x – 19.0x (12.7x)	Decrease Increase
Total	**$ 1,478,425**				

As of December 31, 2025

Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input[2]**
Senior Debt	$ 323,829	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
	804	Transaction Precedent	Transaction Price	N/A	N/A
Preferred Equity	81,285	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
Common Equity	993,978	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
	4,196	Transaction Precedent	Transaction Price	N/A	N/A
Total	**$ 1,404,092**				

FOOTNOTES:

(1) Discount rates are relative to the enterprise value of the portfolio companies and are not the market yields on the associated debt investments. Unobservable inputs were weighted by the relative fair value of the investments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.

The preceding tables include the significant unobservable inputs as they relate to the Company's determination of fair values for its investments categorized within Level 3 as of June 30, 2026 and December 31, 2025. In addition to the techniques and inputs noted in the tables above, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the fair value estimates for the Company's investments. Any significant increases or decreases in the unobservable inputs would result in significant increases or decreases in the fair value of the Company's investments.

Investments that do not have a readily available market value are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a present value amount range. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors the Company may take into account to determine the fair value of its investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

The following tables provide a reconciliation of investments for which Level 3 inputs were used in determining fair value for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30, 2026			
	Senior Debt	Preferred Equity	Common Equity	Total
Fair value balance as of January 1, 2026	$ 324,633	$ 81,285	$ 998,174	$ 1,404,092
Additions	—	—	22,398	22,398
Principal repayment	(125)	—	—	(125)
PIK receivable reclass	(468)	(5,247)	—	(5,715)
PIK income capitalized	—	8,220	—	8,220
Return of capital[(1)]	—	—	(1,130)	(1,130)
Net change in unrealized appreciation, including unrealized foreign currency gain	(286)	(1,335)	52,306	50,685
Fair value balance as of June 30, 2026	$ 323,754	$ 82,923	$ 1,071,748	$ 1,478,425
Change in net unrealized appreciation on investments held as of June 30, 2026	$ (286)	$ (1,335)	$ 52,306	$ 50,685

	Six Months Ended June 30, 2025			
	Senior Debt	Preferred Equity	Common Equity	Total
Fair value balance as of January 1, 2025	$ 292,284	$ 61,155	$ 787,420	$ 1,140,859
Additions	40,918	7,855	110,298	159,071
Principal repayment	(125)	—	—	(125)
PIK income	364	3,188	—	3,552
Return of capital[(1)]	—	—	(984)	(984)
Net change in unrealized appreciation	574	6,140	53,504	60,218
Fair value balance as of June 30, 2025	$ 334,015	$ 78,338	$ 950,238	$ 1,362,591
Change in net unrealized appreciation on investments held as of June 30, 2025	$ 574	$ 6,140	$ 53,504	$ 60,218

FOOTNOTE:

(1) Represents portion of distributions received which were accounted for as a return of capital. See Note 2. "Significant Accounting Policies" for information on the accounting treatment of distributions from portfolio companies.

5. Related Party Transactions

The Manager and Sub-Manager, along with certain affiliates of the Manager or Sub-Manager, receive fees and compensation in connection with the Public Offerings, as well as the acquisition, management and sale of the assets of the Company, as follows:

Managing Dealer

Commissions — The Company pays CNL Securities Corp. (the "Managing Dealer"), an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.

Dealer Manager Fee — The Company pays the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and 1.75% of the price of each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.

Distribution and Shareholder Servicing Fee — The Company pays the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee, subject to certain limits, that is allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase.

Manager and/or Sub-Manager

Offering Costs — The Company reimburses the Manager and the Sub-Manager, along with their respective affiliates, for the offering costs (other than selling commissions and dealer manager fees) they have incurred on the Company's behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. The Company incurred an obligation to reimburse the Manager and Sub-Manager for offering costs based on actual amounts raised through the Public Offerings of approximately $0.2 million and $0.6 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $0.4 million and $1.2 million during the six months ended June 30, 2026 and 2025, respectively.

Base Management Fee to Manager and Sub-Manager — The Company pays each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement described below. The Company incurred base management fees of approximately $6.9 million and $5.8 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $13.4 million and $11.1 million during the six months ended June 30, 2026 and 2025, respectively.

The base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares of a particular class, 2% of the product of (x) the Company's average gross assets and (y) the ratio of Non-founder shares Average Adjusted Capital (as defined below), for a particular class to total Average Adjusted Capital and (ii) for the Class FA shares and Class S shares (collectively, the "Founder shares"), 1% of the product of (x) the Company's average gross assets and (y) the ratio of outstanding founder shares Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The management fee for a certain month is calculated based on the average value of the Company's gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets reflects changes in the fair market value of the Company's assets, which does not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation or depreciation. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below. For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. "Adjusted Capital" is defined as cumulative proceeds generated from sales of the Company's shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of upfront selling commissions and dealer manager fees ("sales load"), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, and adjusted for share conversions, if any, for such class.

Total Return Incentive Fee on Income to the Manager and Sub-Manager — The Company also pays each of the Manager and the Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. The Company recorded total return incentive fees of approximately $7.1 million and $13.1 million for the quarters ended June 30, 2026 and 2025, respectively, and approximately $13.0 million and $13.5 million during the six months ended June 30, 2026 and 2025, respectively.

The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. The Company will accrue (but not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annualized basis. The Company will perform a final reconciliation of the total return incentive fee calculation at the completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below.

For purposes of this calculation, "Total Return to Shareholders" for each annualized period is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of each calendar month end. The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" mean the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares or Founder shares, as applicable.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annualized Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").
- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.
- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "Founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular class exceeds 7.777% in any calendar year.
- For any annualized period in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.

(1) For purposes of calculating the Total Return to Shareholders, the change in the Company's net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the Company since inception, adjusted for any special distributions resulting from the sale of the Company's assets, provided such adjustment is approved by the Company's board of directors. If, as of each calendar year end, the Company's net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in the Company's net asset value for such share class in excess of the High Water Mark, and (B) if the Company's net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in the Company's per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in the Company's per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. With respect to the calculation of Total Return to Shareholders, the following tables provides the applicable High Water Marks for the years ended December 31, 2026 and 2025:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2026	$ 42.98	$ 38.21	$ 38.15	$ 37.94	$ 38.64	$ 43.48
December 31, 2025	39.55	35.68	35.72	35.42	36.12	40.09

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable period. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar month end.

Reimbursement to Manager and Sub-Manager for Operating Expenses and Pursuit Costs — The Company reimburses the Manager and the Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to the Company, including fees, costs, expenses, liabilities and obligations relating to the Company's activities, acquisitions, dispositions, financings and business, subject to the terms of the Company's limited liability company agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement (as defined below). The Company does not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for the benefit of the Company.

Expense Support and Conditional Reimbursement Agreement — The Company entered into an expense support and conditional reimbursement agreement with the Manager and the Sub-Manager, as amended, (the "Expense Support and Conditional Reimbursement Agreement"), which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that the Company's annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of the Company's distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support and Conditional Reimbursement Agreement (the "Expense Support").

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Until the Expense Support and Conditional Reimbursement Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager. Expense support is paid by the Manager and Sub-Manager annually in arrears.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), the Company uses such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support and Conditional Reimbursement Agreement. The Company's obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, the Company has received cumulative Expense Support of approximately $6.0 million. Of the Expense Support received through June 30, 2026, approximately $4.9 million had been reimbursed and approximately $0.2 million was no longer eligible for reimbursement. As of June 30, 2026, approximately $1.0 million of Expense Support collected from the Manager and Sub-Manager is subject to reimbursement.

Distributions

Individuals and entities affiliated with the Manager and Sub-Manager owned approximately 0.4 million shares as of June 30, 2026 and 2025. These individuals and entities received distributions from the Company of approximately $0.1 million for the quarters ended June 30, 2026 and 2025, and $0.2 million for each of the six months ended June 30, 2026 and 2025.

Summary of Related Party Fees and Expenses

Related party fees and expenses incurred for the quarter and six months ended June 30, 2026 and 2025 are summarized below (in thousands):

		Quarter Ended June 30,		Six Months Ended June 30,	
Related Party	**Source Agreement & Description**	**2026**	**2025**	**2026**	**2025**
Managing Dealer	Managing Dealer Agreement:				
	Commissions[1]	$ 119	$ 155	$ 244	$ 285
	Dealer manager fees[1]	65	90	137	162
	Distribution and shareholder servicing fees[2]	308	334	624	671
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:				
	Offering expense reimbursement[3][4]	201	610	383	1,150
	Base management fees[3]	6,860	5,765	13,434	11,070
	Total return incentive fees[3]	7,050	13,079	13,029	13,467
Manager and Sub-Manager	Expense Support and Condition Reimbursement Agreement:				
	Expense Support	—	(3,883)	—	(3,892)
	Reimbursement of Expense Support	970	—	970	—
Manager	Administrative Services Agreement:				
	Reimbursement of third-party operating expenses[3][5]	36	48	83	89
	Shareholder servicing fees[2]	185	163	374	317
Sub-Manager	Sub-Management Agreement:				
	Reimbursement of third-party pursuit costs[3][6]	106	274	244	691

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in the Company's condensed consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in the Company's condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in the Company's condensed consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties net as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Due from related parties:		
Expense Support	$ —	$ 950
Total due from related parties	—	950
Due to related parties:		
Total return incentive fees	$ (13,029)	$ (30,321)
Reimbursement of Expense Support	(970)	—
Base management fees	(2,296)	(2,222)
Offering expenses	(50)	(65)

Distribution and shareholder servicing fees	(101)	(115)
Reimbursement of third-party operating expenses and pursuit costs	(591)	(17)
Total due to related parties	$ (17,037)	$ (32,740)
Due to related parties, net	$ (17,037)	$ (31,790)

6. Distributions

The Company's board of directors declared distributions on a monthly basis in each of the six months ended June 30, 2026 and 2025 (six record dates). The following table reflects the total distributions declared during the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Six Months Ended June 30,					
	2026			2025		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]	Distributions Declared[1][2]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]
First Quarter	$ 11,206	$ 5,859	$ 5,347	$ 10,372	$ 5,175	$ 5,197
Second Quarter	11,378	5,975	5,403	10,547	5,335	5,212
	$ 22,584	$ 11,834	$ 10,750	$ 20,919	$ 10,510	$ 10,409

FOOTNOTES:

(1) The Company's board of directors declared distributions per share on a monthly basis. See Note 12. "Financial Highlights" for distributions declared by share class. Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2026 - June 30, 2026	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2025 - June 30, 2025	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

The sources of declared distributions on a GAAP basis were as follows (in thousands):

	Six Months Ended June 30,			
	2026		2025	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income[1]	$ 12,468	55.2 %	$ 9,266	44.3 %
Distributions in excess of net investment income[2]	10,116	44.8	11,653	55.7
Total distributions declared	$ 22,584	100.0 %	$ 20,919	100.0 %

FOOTNOTES:

(1) Net investment income includes Expense Reimbursement (Support) of $970 and $(3,892) for the six months ended June 30, 2026 and 2025, respectively. See Note 5. "Related Party Transactions" for additional information.

(2) Consists of distributions made from offering proceeds for the periods presented.

In July 2026, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on August 26, 2026 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

7. Capital Transactions

Public Offerings

Under the Second Follow-On Public Offering, the Company has offered and continues to offer up to $1.0 billion of shares, on a best efforts basis, which means that CNL Securities Corp., as the Managing Dealer of the Second Follow-On Public Offering, uses its best effort but is not required to sell any specific amount of shares. The Company is offering, in any combination, four classes of shares in the Second Follow-On Public Offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in shares. There are differing selling fees and commissions for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The public offering price, selling commissions and dealer manager fees per share class are determined monthly as approved by the Company's board of directors. As of June 30, 2026, the public offering price was $42.64 per Class A share, $40.84 per Class T share, $38.71 per Class D share and $39.46 per Class I share.

The Company is also offering, in any combination, up to $100.0 million of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to its distribution reinvestment plan.

See Note 13. "Subsequent Events" for additional information related to the Public Offerings.

The following tables summarize the total shares issued and proceeds received by share class in connection with the Public Offerings, excluding shares repurchased through the Share Repurchase Program described further below, for the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Six Months Ended June 30, 2026								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	13	$ 544	$ (45)	$ 499	100	$ 3,861	113	$ 4,360	$ 38.53
Class T	178	7,224	(336)	6,888	19	732	197	7,620	38.42
Class D	10	379	—	379	28	1,041	38	1,420	38.17
Class I	1,748	68,045	—	68,045	159	6,200	1,907	74,245	38.94
	1,949	$ 76,192	$ (381)	$ 75,811	306	$ 11,834	2,255	$ 87,645	$ 38.86

	Six Months Ended June 30, 2025								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	14	$ 538	$ (42)	$ 496	101	$ 3,647	115	$ 4,143	$ 35.96
Class T	242	9,139	(405)	8,734	23	817	265	9,551	36.10
Class D	40	1,415	—	1,415	29	1,027	69	2,442	35.67
Class I	1,475	53,734	—	53,734	138	5,019	1,613	58,753	36.42
	1,771	$ 64,826	$ (447)	$ 64,379	291	$ 10,510	2,062	$ 74,889	$ 36.33

FOOTNOTE:

(1) The Company incurs selling commissions and dealer manager fees on the sale of Class A and Class T shares sold through the Public Offerings. See Note 5. "Related Party Transactions" for additional information regarding up-front selling commissions and dealer manager fees.

Share Repurchase Program

In accordance with the Share Repurchase Program, the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares is limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). At the sole discretion of the Company's board of directors, the Company may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

During the six months ended June 30, 2026 and 2025, the Company received requests for the repurchase of approximately $61.5 million and $29.8 million, respectively, of the Company's common shares. The Company's board of directors approved the repurchase requests.

The following table summarizes the shares repurchased during the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	108	$ 4,714	$ 43.57
Class A	442	17,183	38.86
Class T	47	1,837	38.70
Class D	128	4,884	38.28
Class I	800	31,285	39.12
Class S	36	1,591	44.18
Six Months Ended June 30, 2026	1,561	$ 61,494	$ 39.39

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	115	$ 4,610	$ 39.92
Class A	94	3,430	36.21
Class T	33	1,185	36.29
Class D	108	3,817	35.68
Class I	446	16,293	36.54
Class S	10	422	40.80
Six Months Ended June 30, 2025	806	$ 29,757	$ 36.92

As of June 30, 2026 and December 31, 2025, the Company had a payable for shares repurchased of approximately $34.3 million and $28.1 million, respectively, which were paid in July and January 2026, respectively.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the six months ended June 30, 2026, approximately 480,000 Class T shares were converted to approximately 479,000 Class A shares at an average conversion rate of 1.00. During the six months ended June 30, 2025, approximately 583,000 Class T shares were converted to approximately 582,000 Class A shares at an average conversion rate of 1.00.

8. Borrowings

In February 2024, CNL Strategic Capital B, Inc. ("Borrower"), a wholly-owned subsidiary of the Company, and Valley National Bank, entered into a Revolving Loan Agreement (the "2024 Loan Agreement") for a $50.0 million revolving line of credit (the "2024 Line of Credit"). In connection with the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.2 million. The Borrower is required to pay interest on any borrowed amounts under the 2024 Line of Credit at a rate per year equal to the 1-Month Term SOFR plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of 0.15% on the difference between (i) total 2024 Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the 2024 Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the 2024 Loan Agreement at any time and such borrowings are required to be repaid within 180 days of the borrowing date. Under the 2024 Loan Agreement, the Company is required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by the Company.

In February 2024, the Company entered into a Guaranty agreement to act as a guarantor of the Borrower's outstanding borrowings under the 2024 Loan Agreement (the "Guaranty Agreement"). On February 15, 2024, the Borrower and the Company also entered into a pledge and assignment of bank and deposit accounts ("2024 Pledge Agreement") in favor of Valley National Bank. Under the 2024 Pledge Agreement, the Company is required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company's offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the 2024 Loan Agreement.

In February 2025, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to February 15, 2026. The amendment additionally grants Valley National Bank the ability to increase the maximum commitment an additional $50.0 million at their discretion. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million.

In February 2026, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to May 15, 2026. In May 2026, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to August 15, 2026. Under this amendment, the 2024 Line of Credit may now be used to finance the repurchase of the Company's equity securities from its equity holders in an amount not to exceed 90% of the Company's trailing six months new net investment proceeds excluding reinvested distributions. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million. In August 2026, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to November 15, 2026.

The Company had not borrowed any amounts under the 2024 Line of Credit and no amounts under the 2024 Line of Credit were outstanding as of June 30, 2026.

9. Income Taxes

The Company incurs income tax expense related to its Taxable Subsidiaries. The components of income tax expense were as follows during the quarter and six months ended June 30, 2026 and 2025 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Current:				
Federal	$ 51	$ 27	$ 84	$ 42
State	17	3	16	5
Total current tax expense	68	30	100	47
Deferred:				
Federal	2,507	3,489	4,924	4,803
State	140	151	228	210
Total deferred tax expense	2,647	3,640	5,152	5,013
Total income tax expense	$ 2,715	$ 3,670	$ 5,252	$ 5,060

The effective tax rate for the six months ended June 30, 2026 and 2025 was 8.3% and 7.3%, respectively. The primary items giving rise to the difference between the 21.0% federal statutory rate applicable to corporations and the effective tax rates are state taxes and the benefits of the partnership structure.

Significant components of the Company's deferred tax assets and liabilities as of June 30, 2026 and December 31, 2025 were as follows (in thousands):

	June 30, 2026	December 31, 2025
Deferred tax assets:		
Carryforwards of net operating loss	$ 5,162	$ 4,754
Other	6	12
Valuation allowance	(257)	(234)
Total deferred tax assets	4,911	4,532
Deferred tax liabilities:		
Unrealized appreciation on investments	(32,972)	(27,441)
Total deferred tax liabilities	(32,972)	(27,441)
Deferred tax liabilities, net	$ (28,061)	$ (22,909)

10. Concentrations of Risk

The Company had two portfolio companies which met at least one of the significance tests under Rule 10-01(b) of Regulation S-X for at least one of the periods presented in the condensed consolidated financial statements.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on the Company's results of operations and cash flows from operations, which would impact its ability to make distributions to shareholders.

11. Commitments & Contingencies

See Note 5. "Related Party Transactions" for information on contingent amounts due to the Manager and Sub-Manager for the reimbursement of offering costs under the Public Offerings and for the reimbursement of Expense Support.

From time to time, the Company and officers or directors of the Company may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its businesses. As of June 30, 2026, the Company was not involved in any legal proceedings.

In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company. However, based on experience, the Company expects that risk of loss to be remote.

12. Financial Highlights

The following are schedules of financial highlights of the Company attributed to each class of shares for the six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Six Months Ended June 30, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 42.98**	**$ 38.21**	**$ 38.15**	**$ 37.94**	**$ 38.64**	**$ 43.48**
Net investment income, before Expense Support (reimbursement)[1]	0.75	0.32	0.18	0.26	0.31	0.72
Expense Support (reimbursement)[1][2]	—	—	—	—	(0.06)	—
Net investment income[1]	0.75	0.32	0.18	0.26	0.25	0.72
Net realized and unrealized gains, net of taxes[1][3]	1.24	1.24	1.23	1.23	1.24	1.24
Net increase resulting from investment operations	**1.99**	**1.56**	**1.41**	**1.49**	**1.49**	**1.96**
Distributions to shareholders[4]	(0.63)	(0.63)	(0.50)	(0.56)	(0.63)	(0.63)
Net decrease resulting from distributions to shareholders	**(0.63)**	**(0.63)**	**(0.50)**	**(0.56)**	**(0.63)**	**(0.63)**
Net Asset Value, End of Period	**$ 44.34**	**$ 39.14**	**$ 39.06**	**$ 38.87**	**$ 39.50**	**$ 44.81**

	Six Months Ended June 30, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Net assets, end of period	$ 160,337	$ 359,139	$ 71,923	$ 115,084	$ 699,400	$ 74,019
Average net assets[5]	$ 160,337	$ 355,638	$ 78,193	$ 115,672	$ 669,945	$ 73,768
Shares outstanding, end of period	3,616	9,176	1,841	2,961	17,706	1,652
Distributions declared	$ 2,308	$ 5,767	$ 1,019	$ 1,701	$ 10,739	$ 1,050
Total investment return based on net asset value before total return incentive fee[6]	5.17 %	5.15 %	4.73 %	4.98 %	4.83 %	5.05 %
Total investment return based on net asset value after total return incentive fee[6]	4.51 %	4.11 %	3.73 %	3.97 %	3.88 %	4.54 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.50 %	1.28 %	1.64 %	1.46 %	1.36 %	0.58 %
Total operating expenses before Expense Support (reimbursement)	1.01 %	2.29 %	2.54 %	2.43 %	2.33 %	1.07 %
Total operating expenses after Expense Support (reimbursement)	1.01 %	2.29 %	2.54 %	2.43 %	2.47 %	1.07 %
Net investment income before total return incentive fee[8]	2.24 %	1.84 %	1.38 %	1.66 %	1.61 %	2.14 %
Net investment income	1.74 %	0.83 %	0.48 %	0.69 %	0.65 %	1.65 %

	Six Months Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net investment income before Expense Support (reimbursement)[1]	0.55	0.13	(0.04)	0.07	0.08	0.53
Expense Support (reimbursement)[1][2]	0.02	0.08	0.04	0.07	0.18	0.09
Net investment income[1]	0.57	0.21	—	0.14	0.26	0.62
Net realized and unrealized gains, net of taxes[1][3]	1.60	1.60	1.57	1.58	1.60	1.60
Net increase resulting from investment operations	**2.17**	**1.81**	**1.57**	**1.72**	**1.86**	**2.22**
Distributions to shareholders[4]	(0.63)	(0.63)	(0.50)	(0.56)	(0.63)	(0.63)
Net decrease resulting from distributions to shareholders	**(0.63)**	**(0.63)**	**(0.50)**	**(0.56)**	**(0.63)**	**(0.63)**
Net Asset Value, End of Period	**$ 41.09**	**$ 36.86**	**$ 36.79**	**$ 36.58**	**$ 37.35**	**$ 41.68**
Net assets, end of period	$ 160,316	$ 325,894	$ 79,470	$ 110,965	$ 572,321	$ 70,926
Average net assets[5]	$ 158,089	$ 285,338	$ 88,628	$ 106,764	$ 520,384	$ 68,824
Shares outstanding, end of period	3,902	8,841	2,160	3,033	15,321	1,702
Distributions declared	$ 2,481	$ 5,234	$ 1,240	$ 1,720	$ 9,175	$ 1,069
Total investment return based on net asset value before total return incentive fee[6]	6.18 %	6.30 %	5.65 %	6.10 %	6.34 %	6.18 %
Total investment return based on net asset value after total return incentive fee[6]	5.43 %	5.12 %	4.44 %	4.91 %	5.19 %	5.58 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.55 %	1.37 %	1.82 %	1.53 %	1.49 %	0.61 %
Total operating expenses	1.10 %	2.42 %	2.74 %	2.51 %	2.19 %	0.98 %
Net investment income before total return incentive fee[8]	2.03 %	1.90 %	1.04 %	1.57 %	1.93 %	2.13 %
Net investment income	1.43 %	0.61 %	— %	0.39 %	0.73 %	1.54 %

FOOTNOTES:

(1) The per share amounts presented are based on weighted average shares outstanding.

(2) Expense Support (reimbursement) is accrued throughout the year and is subject to a final calculation as of the last business day of the calendar year.

(3) The amount shown at this caption is the balancing figure derived from the other figures in the schedule. The amount shown at this caption for a share outstanding throughout the period may not agree with the change in the aggregate gains and losses in portfolio investments for the period because of the timing of sales and repurchases of the Company's shares in relation to fluctuating fair values for the portfolio investments.

(4) The per share data for distributions is the actual amount of distributions paid or payable per common share outstanding during the entire period; distributions per share are rounded to the nearest $0.01.

(5) The computation of average net assets during the period is based on net assets measured at each month end, adjusted for capital contributions or withdrawals during the month.

(6) Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA shares assume distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class, including Class S shares which do not participate in the distribution reinvestment plan. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee described in Note 5. "Related Party Transactions." See footnote (8) below for information regarding the percentage of total incentive fees covered by expense support by share class for all periods presented. Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by shareholders in the purchase of the Company's shares.

(7) Actual results may not be indicative of future results. Additionally, an individual investor's ratios may vary from the ratios presented for a share class as a whole.

(8) Amounts represent net investment income before total return incentive fee and related expense support as a percentage of average net assets. For the six months ended June 30, 2026, none of the total return incentive fees for any share class were covered by Expense Support. For the six months ended June 30, 2025, approximately 8% of total return incentive fees for Class FA, 18% of total return incentive fees for Class A, 11% of total return incentive fees for Class T, 17% of total return incentive fees for Class D, 43% of total return incentive fees for Class I and 37% of total return incentive fees for Class S, respectively, were covered by Expense Support.

13. Subsequent Events

Distributions

In July 2026, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on August 26, 2026 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

Offerings

In July 2026, the Company's board of directors approved new per share offering prices for each share class in the Second Follow-On Public Offering. The new offering prices are effective as of July 31, 2026. The following table provides the new offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective July 31, 2026:				
Offering Price, Per Share	$ 42.78	$ 41.01	$ 38.87	$ 39.50
Selling Commissions, Per Share	2.57	1.23	—	—
Dealer Manager Fees, Per Share	1.07	0.72	—	—

Capital Transactions

During the period July 1, 2026 through August 5, 2026, the Company received additional net proceeds from the Second Follow-On Public Offering and distribution reinvestment plan of the following (in thousands except per share data):

	Proceeds from Second Follow-On Public Offering				Distribution Reinvestment Plan		Total		
Share Class	Shares	Gross Proceeds	Sales Load	Net Proceeds to Company	Shares	Gross Proceeds	Shares	Net Proceeds to Company	Average Net Proceeds per Share
Class A	—	$ —		$ —	17	$ 650	17	$ 650	$ 39.14
Class T	18	762	(36)	726	4	112	22	838	39.06
Class D	—	—	—	—	4	171	4	171	38.87
Class I	239	9,429	—	9,429	27	1,081	266	10,510	39.50
	257	$ 10,191	$ (36)	$ 10,155	52	$ 2,014	309	$ 12,169	$ 39.44

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 23 DATED JULY 24, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 23 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended June 30, 2026;
- certain return information for all outstanding classes of shares; and
- an update to the "Our Portfolio" section

Public Offering Price Adjustment

On July 24, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of July 31, 2026 and will be used for the Company's next monthly closing for subscriptions on July 31, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of June 30, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$42.78	$41.01	$38.87	$39.50
Selling Commissions, Per Share	$2.57	$1.23		
Dealer Manager Fees, Per Share	$1.07	$0.72		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On July 24, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
August 26, 2026	August 27, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended June 30, 2026

On July 24, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of June 30, 2026 (in thousands, except per share data):

Month Ended June 30, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,337	$359,139	$71,923	$115,084	$699,400	$74,019	$1,479,902
Number of Outstanding Shares	3,616	9,176	1,841	2,961	17,706	1,652	36,952
Net Asset Value, Per Share	$44.34	$39.14	$39.06	$38.87	$39.50	$44.81	
Net Asset Value, Per Share Prior Month	$44.10	$39.02	$38.90	$38.71	$39.46	$44.61	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.24	$0.12	$0.16	$0.16	$0.04	$0.20	

The change in the Company's net asset value per share for each applicable share class for the month ended June 30, 2026 was primarily driven by the increases in the fair value of fourteen out of eighteen of the Company's portfolio company investments. The fair value of four of the Company's portfolio company investments decreased during the same period. As of June 30, 2026, the Company had total assets of approximately $1.56 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through June 30, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	4.5%	10.8%	36.2%	61.8%	11.0%	140.0%	February 7, 2018 – June 30, 2026
Class FA (with sales load)	-2.3%	3.6%	27.4%	51.3%	10.1%	124.4%	February 7, 2018 – June 30, 2026
Class A (no sales load)	4.1%	9.7%	32.5%	52.2%	10.0%	118.6%	April 10, 2018 – June 30, 2026
Class A (with sales load)	-4.7%	0.4%	21.3%	39.3%	8.8%	100.0%	April 10, 2018 – June 30, 2026
Class I	3.9%	9.2%	31.8%	51.5%	10.0%	119.6%	April 10, 2018 – June 30, 2026
Class T (no sales load)	3.7%	9.0%	29.3%	47.4%	9.0%	101.7%	May 25, 2018 – June 30, 2026
Class T (with sales load)	-1.2%	3.8%	23.2%	40.4%	8.4%	92.1%	May 25, 2018 – June 30, 2026
Class D	4.0%	9.5%	31.5%	51.5%	9.5%	106.5%	June 26, 2018 – June 30, 2026
Class S (no sales load)	4.5%	10.7%	36.3%	62.7%	12.0%	102.7%	March 31, 2020 – June 30, 2026
Class S (with sales load)	0.9%	6.8%	31.6%	57.0%	11.3%	95.6%	March 31, 2020 – June 30, 2026

[(1)] For the period from January 1, 2026 through June 30, 2026.
[(2)] For the period from July 1, 2025 through June 30, 2026.
[(3)] For the period from July 1, 2023 through June 30, 2026.
[(4)] For the period from July 1, 2021 through June 30, 2026.
[(5)] For the period from the date the first share was issued for each respective share class through June 30, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the six months ended June 30, 2026, sources of declared distributions on a GAAP basis were as follows:

	Six Months Ended June 30, 2026	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 12,468	55.2 %
Net realized gains	—	— %
Distributions in excess of net investment income and net realized gains[2]	10,116	44.8 %
Total distributions declared	$ 22,584	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Six Months Ended June 30, 2026	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 13,438	125.0 %
Expense support (reimbursement)	(970)	(9.0) %
Net investment income	$ 12,468	116.0 %
Net realized gains	—	— %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	— %
Cash distributions declared net of distributions reinvested[3]	$ 10,750	100.0 %

[1] There was no expense support due from the Manager and Sub-Manager for the six months ended June 30, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the six months ended June 30, 2026, excludes $11,834 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "USA Water" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In April 2026, USA Water acquired South Florida Lift Stations ("SFLS"). Headquartered in Fort Myers, Florida, SFLS is a provider of wastewater infrastructure solutions, specializing in lift stations, septic tanks, irrigation stations, and commercial and residential control systems. The acquisition strengthens USA Water's presence in the South Florida market.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 22 DATED JUNE 23, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 22 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended May 31, 2026; and
- certain return information for all outstanding classes of shares.

Public Offering Price Adjustment

On June 23, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of June 30, 2026 and will be used for the Company's next monthly closing for subscriptions on June 30, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of May 31, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$42.64	$40.84	$38.71	$39.46
Selling Commissions, Per Share	$2.56	$1.23		
Dealer Manager Fees, Per Share	$1.06	$0.71		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On June 23, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
July 27, 2026	July 28, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended May 31, 2026

On June 23, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. Additionally, pursuant to our share repurchase program, we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares back to us at a price equal to the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date for our next quarterly repurchase will be June 30, 2026. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of May 31, 2026 (in thousands, except per share data):

Month Ended May 31, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$161,424	$366,298	$75,904	$115,965	$702,893	$74,532	$1,497,016
Number of Outstanding Shares	3,660	9,389	1,951	2,996	17,812	1,671	37,479
Net Asset Value, Per Share	$44.10	$39.02	$38.90	$38.71	$39.46	$44.61	
Net Asset Value, Per Share Prior Month	$43.63	$38.61	$38.53	$38.33	$39.02	$44.11	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.47	$0.41	$0.37	$0.38	$0.44	$0.50	

The change in the Company's net asset value per share for each applicable share class for the month ended May 31, 2026 was primarily driven by the increases in the fair value of fourteen out of eighteen of the Company's portfolio company investments. The fair value of three of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of May 31, 2026, the Company had total assets of approximately $1.54 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through May 31, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	3.8%	11.3%	36.1%	63.1%	11.0%	138.2%	February 7, 2018 – May 31, 2026
Class FA (with sales load)	-3.0%	4.1%	27.3%	52.5%	10.1%	122.7%	February 7, 2018 – May 31, 2026
Class A (no sales load)	3.5%	10.4%	32.6%	53.0%	10.0%	117.3%	April 10, 2018 – May 31, 2026
Class A (with sales load)	-5.3%	1.0%	21.4%	40.0%	8.8%	98.8%	April 10, 2018 – May 31, 2026
Class I	3.5%	10.2%	32.1%	52.5%	10.1%	118.8%	April 10, 2018 – May 31, 2026
Class T (no sales load)	3.1%	9.5%	29.6%	47.8%	9.1%	100.5%	May 25, 2018 – May 31, 2026
Class T (with sales load)	-1.8%	4.3%	23.4%	40.8%	8.4%	90.9%	May 25, 2018 – May 31, 2026
Class D	3.3%	10.0%	31.8%	52.1%	9.5%	105.1%	June 26, 2018 – May 31, 2026
Class S (no sales load)	3.8%	11.3%	36.5%	63.5%	12.0%	101.3%	March 31, 2020 – May 31, 2026
Class S (with sales load)	0.2%	7.4%	31.7%	57.8%	11.4%	94.3%	March 31, 2020 – May 31, 2026

[1] For the period from January 1, 2026 through May 31, 2026.
[2] For the period from June 1, 2025 through May 31, 2026.
[3] For the period from June 1, 2023 through May 31, 2026.
[4] For the period from June 1, 2021 through May 31, 2026.
[5] For the period from the date the first share was issued for each respective share class through May 31, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the five months ended May 31, 2026, sources of declared distributions on a GAAP basis were as follows:

	Five Months Ended May 31, 2026	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 7,503	40.0 %
Net realized gains	—	— %
Distributions in excess of net investment income and net realized gains[2]	11,249	60.0 %
Total distributions declared	$ 18,752	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Five Months Ended May 31, 2026	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 5,637	63.1 %
Expense support (reimbursement)	1,866	20.9 %
Net investment income	$ 7,503	84.0 %
Net realized gains	—	— %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	1,425	16.0 %
Cash distributions declared net of distributions reinvested[3]	$ 8,928	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $1,866 for the five months ended May 31, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the five months ended May 31, 2026, excludes $9,824 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 21 DATED MAY 22, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 21 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended April 30, 2026;
- certain return information for all outstanding classes of shares; and
- updates to the "Our Portfolio" section.

Public Offering Price Adjustment

On May 22, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of May 29, 2026 and will be used for the Company's next monthly closing for subscriptions on May 29, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of April 30, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$42.20	$40.45	$38.33	$39.02
Selling Commissions, Per Share	$2.53	$1.21		
Dealer Manager Fees, Per Share	$1.06	$0.71		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On May 22, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
June 26, 2026	June 29, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended April 30, 2026

On May 22, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of April 30, 2026 (in thousands, except per share data):

Month Ended April 30, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$159,709	$360,049	$75,824	$114,665	$683,031	$73,690	$1,466,968
Number of Outstanding Shares	3,660	9,326	1,968	2,992	17,505	1,671	37,122
Net Asset Value, Per Share	$43.63	$38.61	$38.53	$38.33	$39.02	$44.11	
Net Asset Value, Per Share Prior Month	$43.58	$38.61	$38.54	$38.33	$39.03	$44.07	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.05	$—	($0.01)	$—	($0.01)	$0.04	

The change in the Company's net asset value per share for each applicable share class for the month ended April 30, 2026 was primarily driven by the increases in the fair value of ten out of eighteen of the Company's portfolio company investments. The fair value of eight of the Company's portfolio company investments decreased during the same period. As of April 30, 2026, the Company had total assets of approximately $1.50 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through April 30, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	2.4%	10.8%	34.8%	64.2%	10.9%	135.1%	February 7, 2018 – April 30, 2026
Class FA (with sales load)	-4.3%	3.6%	26.0%	53.6%	10.0%	119.8%	February 7, 2018 – April 30, 2026
Class A (no sales load)	2.2%	9.8%	31.2%	53.2%	9.9%	114.5%	April 10, 2018 – April 30, 2026
Class A (with sales load)	-6.5%	0.5%	20.1%	40.2%	8.7%	96.2%	April 10, 2018 – April 30, 2026
Class I	2.1%	9.5%	30.6%	52.7%	10.0%	115.8%	April 10, 2018 – April 30, 2026
Class T (no sales load)	1.9%	8.9%	28.2%	48.0%	9.0%	98.1%	May 25, 2018 – April 30, 2026
Class T (with sales load)	-3.0%	3.7%	22.1%	41.0%	8.3%	88.7%	May 25, 2018 – April 30, 2026
Class D	2.0%	9.5%	30.4%	52.3%	9.4%	102.6%	June 26, 2018 – April 30, 2026
Class S (no sales load)	2.4%	10.7%	35.2%	63.8%	11.9%	98.6%	March 31, 2020 – April 30, 2026
Class S (with sales load)	-1.2%	6.8%	30.5%	58.1%	11.3%	91.6%	March 31, 2020 – April 30, 2026

[1] For the period from January 1, 2026 through April 30, 2026.
[2] For the period from May 1, 2025 through April 30, 2026.
[3] For the period from May 1, 2023 through April 30, 2026.
[4] For the period from May 1, 2021 through April 30, 2026.
[5] For the period from the date the first share was issued for each respective share class through April 30, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the four months ended April 30, 2026, sources of declared distributions on a GAAP basis were as follows:

	Four Months Ended April 30, 2026	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 8,125	54.3 %
Net realized gains	—	— %
Distributions in excess of net investment income and net realized gains[2]	6,833	45.7 %
Total distributions declared	$ 14,958	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Four Months Ended April 30, 2026	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 8,125	114.1 %
Expense support (reimbursement)	—	— %
Net investment income	$ 8,125	114.1 %
Net realized gains	—	— %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	— %
Cash distributions declared net of distributions reinvested[3]	$ 7,122	100.0 %

[1] There was no expense support (reimbursement) due from the Manager and Sub-Manager for the four months ended April 30, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the four months ended April 30, 2026, excludes $7,836 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Blue Ridge ESOP Associates" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In May 2026, we made an additional equity investment in Blue Ridge of approximately $12.9 million to partially finance Blue Ridge's acquisition of Economic Group Pension Services ("EGPS"). Established in 1971 and based in New York, EGPS is a retirement plan services firm that offers plan design, administration, actuarial consulting, and 3(16) fiduciary services for all types of retirement plans. We believe the addition of EGPS fundamentally transforms the Blue Ridge's size and scale while broadening its service portfolio and geographic footprint to better serve plan sponsors, advisors, and channel partners.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "USA Water" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In January 2026, USA Water acquired DigDug Construction, LLC ("DigDug"). Headquartered in Austin, Texas, DigDug provides construction services to a wide range of stormwater, pond systems, including retention, detention, biofiltration, and water quality ponds. DigDug provides full-service construction, maintenance, inspection and best management practice compliance services to its customers.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 20 DATED MAY 12, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 20 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- an update to our Prospectus Summary;
- an updated "Management's Discussion and Analysis of Financial Condition and Results of Operations" section substantially the same as that which was included in our Quarterly Report on Form 10-Q, filed on May 6, 2026;
- an updated "Our Portfolio" section; and
- our condensed consolidated unaudited financial statements and the notes thereto as of and for the period ended March 31, 2026, as included in our Quarterly Report on Form 10-Q, filed on May 6, 2026.

Prospectus Summary

The following disclosure supersedes and replaces the second paragraph under the section "Prospectus Summary—Q: Who are Levine Leichtman Strategic Capital, LLC and LLCP?" and the third paragraph under the section "Business—The Manager and the Sub-Manager," which appear on pages 3 and 86, respectively, of the Prospectus.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 42 years. Since its inception in 1984, LLCP and its affiliates have managed approximately $18.5 billion of capital and currently manages approximately $13.4 billion of assets through December 31, 2025. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP's global team of dedicated investment professionals is led by nine partners ("LLCP Senior Executives") who have worked at LLCP for an average of 20 years. LLCP currently has 90 employees, including over 48 dedicated investment professionals.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Prospectus is hereby supplemented with the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is substantially the same as that which was included in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026. Unless otherwise defined in this supplement, capitalized terms are defined in such Quarterly Report on Form 10-Q.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on the unaudited condensed consolidated financial statements as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025. Amounts as of December 31, 2025 included in the unaudited condensed consolidated statements of assets and liabilities have been derived from the audited consolidated financial statements as of that date. This information should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the notes thereto, as well as the audited consolidated financial statements, notes and management's discussion and analysis included in our Annual Report on Form 10-K for the year ended December 31, 2025 (our "Form 10-K").

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by the Manager, CNL Strategic Capital Management, LLC, an entity that is registered as an investment adviser under the Advisers Act. The Manager is controlled by CNL Financial Group, LLC, a private investment management firm specializing in alternative investment products. We have engaged the Manager under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities and sub-managed by the Sub-Manager, Levine Leichtman Strategic Capital, LLC, a registered investment adviser, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

Since we commenced operations on February 7, 2018, we have acquired equity and debt investments in 19 U.S. and Global middle-market businesses and disposed of one middle-market U.S. business. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of March 31, 2026, we had eleven investments structured as controlling equity interests in combination with debt positions and seven investments structured as minority equity interests in combination with debt positions. All of our debt investments were current as of March 31, 2026.

We were formed as a Delaware limited liability company on August 9, 2016 and we operate and intend to continue to operate our business in a manner that will permit us to avoid registration under the Investment Company Act. We are not a "blank check" company within the meaning of Rule 419 of the Securities Act. We commenced operations on February 7, 2018.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced our Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Follow-On Registration Statement upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement filed with the SEC. Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated.

Through the Second Follow-On Public Offering, we are offering, in any combination, four classes of the Non-founder shares. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan).

Through March 31, 2026, we had received net proceeds from the Public Offerings of approximately $1.2 billion, including approximately $73.9 million received through our distribution reinvestment plan. As of March 31, 2026, the public offering price was $41.93 per Class A share, $40.20 per Class T share, $38.09 per Class D share and $38.79 per Class I share. See Note 7. “Capital Transactions” and Note 13. “Subsequent Events” to the “Financial Statements” included in this supplement for additional information regarding the Public Offerings.

Through March 31, 2026, we had incurred selling commissions and dealer manager fees of approximately $15.3 million from the sale of Class A shares and Class T shares in the Public Offerings. The Class D shares and Class I shares sold through March 31, 2026, were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for offering costs of approximately $13.8 million based on actual amounts raised through the Public Offerings through March 31, 2026. These offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. “Related Party Transactions” to the “Financial Statements” included in this supplement for additional information.

In April 2026, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of April 30, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective April 30, 2026:				
Public Offering Price, Per Share	$ 42.20	$ 40.46	$ 38.33	$ 39.03
Selling Commissions, Per Share	2.53	1.21		
Dealer Manager Fees, Per Share	1.06	0.71		

Since we commenced operations on February 7, 2018, we have raised total net offering proceeds (including amounts raised from our private offerings and Public Offerings) of approximately $1.4 billion, including approximately $73.9 million received through our distribution reinvestment plan as of March 31, 2026.

Portfolio and Investment Activity

As of March 31, 2026, we had invested in 18 portfolio companies, consisting of equity investments and debt investments. The table below presents our portfolio company investments (in millions):

		As of March 31, 2026						
		Equity Investments		Debt Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Debt	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis[2]
Lawn Doctor	2/7/2018	61 %	$ 27.6	Second Lien	16.0 %	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2028	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	10.9	Second Lien	15.0	12/19/2030	3.4	14.3
Resolution Economics	1/2/2020	8	7.6	Second Lien	15.0	12/30/2027	2.8	10.4
Blue Ridge	3/24/2020	16	8.1	Second Lien	15.0	12/28/2029	2.6	10.7
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Clarion	12/9/2021	95	70.3	First Lien	15.0	12/9/2028	22.5	92.8
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	6/30/2023	—	—	Secured	[3]	5/6/2029	24.3	24.3
TacMed	3/24/2023	95	76.7	Secured	16.0	3/24/2030	29.0	105.7
Sill	10/20/2023	93	98.3	Secured	14.0	10/20/2030	15.9	114.2
USA Water	2/21/2024	5	8.1	Second Lien	16.0	8/20/2031	1.4	9.5
LBR	6/17/2024	8	0.1	Preferred Equity	[4]	n/a	72.3	72.4
LBR	4/24/2025	—	—	PIK Note	3.84% PIK[4]	5/17/2039	17.9	17.9
MAP	7/18/2024	57	61.3	First Lien	15.0	7/18/2031	15.0	76.3
IFPG	6/23/2025	91	90.5	Secured	15.0	6/23/2032	27.5	118.0
Shipley	9/25/2025	3	6.2	Second Lien	16.0	1/24/2033	0.7	6.9
USA Industries	12/11/2025	4	4.2	Second Lien	16.0	6/9/2033	0.8	5.0
			$ 630.3				$ 396.2	$ 1,026.5

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of March 31, 2026, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Schedule of Investments and Note 3. “Investments” of to the “Financial Statements” included in this supplement for additional information related to our investments, including fair values as of March 31, 2026.

(3) As of March 31, 2026, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at March 31, 2026 was 3.65%.

(4) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance on the anniversary date, as applicable. PIK Notes accrue income at a per annum rate of 3.84%. Preferred Equity includes three tranches (1) A2, (2), B2 and (3) B3 which accrue PIK income at a per annum rate of 8.16%, 8.5% and 12.0%, respectively.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders. See our Form 10-K for the year ended December 31, 2025 for additional information regarding our portfolio companies and their related business activities.

Our Portfolio Companies

The below information regarding our portfolio companies contain a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other financial measures determined in accordance with GAAP. We use this non-GAAP financial measure to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our portfolio companies. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider this measure appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as a supplemental measure.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

As of March 31, 2026 and December 31, 2025, Lawn Doctor, Inc. ("Lawn Doctor") had total assets of approximately $99.9 million and $97.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 10,985	$ 11,923
Net income (GAAP)	$ 462	$ 690
Interest and debt related expenses	1,388	1,387
Depreciation and amortization	656	650
Income tax expense	280	352
Adjusted EBITDA (non-GAAP)	$ 2,786	$ 3,079
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,699*	*$ 1,864*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 61% of Lawn Doctor.

Polyform

As of March 31, 2026 and December 31, 2025, Polyform Products, Co. ("Polyform") had total assets of approximately $29.9 million and $30.4 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of Polyform for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 4,505	$ 4,800
Net loss (GAAP)	$ (216)	$ (96)
Interest and debt related expenses	719	720
Depreciation and amortization	469	468
Income tax benefit	(84)	(37)
Adjusted EBITDA (non-GAAP)	$ 888	$ 1,055
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 773*	*$ 919*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 87% of Polyform.

Roundtables

As of March 31, 2026 and December 31, 2025, Auriemma U.S. Roundtables ("Roundtables") had total assets of approximately $66.9 million and $58.1 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Roundtables for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 4,899	$ 4,737
Net income (GAAP)	$ 59	$ 128
Interest and debt related expenses	628	636
Depreciation and amortization	514	520
Income tax expense	13	49
Adjusted EBITDA (non-GAAP)	$ 1,214	$ 1,333
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 980*	*$ 1,077*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 81% of Roundtables.

HSH

As of March 31, 2026 and December 31, 2025, Healthcare Safety Holdings, LLC ("HSH") had total assets of approximately $40.5 million and $40.6 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of HSH for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 9,831	$ 9,133
Net income (GAAP)	$ 742	$ 446
Interest and debt related expenses	907	927
Depreciation and amortization	720	713
Income tax expense	222	145
Adjusted EBITDA (non-GAAP)	$ 2,591	$ 2,231
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,931*	*$ 1,662*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 75% of HSH.

ATA

As of March 31, 2026 and December 31, 2025, ATA National Title Group, LLC ("ATA") had total assets of approximately $80.2 million and $83.8 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of ATA for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 12,269	$ 10,686
Net loss (GAAP)	$ (1,606)	$ (2,508)
Interest and debt related expenses	1,475	1,444
Depreciation and amortization	1,042	1,051
Adjusted EBITDA (non-GAAP)	$ 911	$ (13)
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 683*	*$ (10)*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 75% of ATA.

Clarion

As of March 31, 2026 and December 31, 2025, Clarion Safety Holdings, LLC ("Clarion") had total assets of approximately $98.4 million and $99.0 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Clarion for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 9,188	$ 6,514
Net income (GAAP)	$ 1,415	$ 106
Interest and debt related expenses	772	808
Depreciation and amortization	453	297
Income tax expense	522	41
Adjusted EBITDA (non-GAAP)	$ 3,162	$ 1,252
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 3,001*	*$ 1,209*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 95% and 97%, respectively, of Clarion.

Vektek

As of March 31, 2026 and December 31, 2025, Vektek Holdings, LLC ("Vektek") had total assets of approximately $107.6 million and $107.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Vektek for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 9,097	$ 8,632
Net income (GAAP)	$ 289	$ 307
Interest and debt related expenses	1,444	1,488
Depreciation and amortization	917	911
Income tax expense	8	29
Adjusted EBITDA (non-GAAP)	$ 2,658	$ 2,735
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,225*	*$ 2,290*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 84% of Vektek.

TacMed

As of March 31, 2026 and December 31, 2025, Tacmed Holdings, LLC ("TacMed") had total assets of approximately $105.3 million and $106.4 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of TacMed for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 11,526	$ 9,508
Net loss (GAAP)	$ (402)	$ (926)
Interest and debt related expenses	1,164	1,166
Depreciation and amortization	1,318	1,357
Income tax benefit	(154)	(322)
Adjusted EBITDA (non-GAAP)	$ 1,926	$ 1,275
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,837*	*$ 1,218*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 95% of TacMed.

Sill

As of March 31, 2026 and December 31, 2025, Sill Holdings, LLC ("Sill") had total assets of approximately $121.7 million and $123.1 million, respectively. In January 2026, we made an additional equity investment in Sill of approximately $2.0 million.

The following table reconciles our proportionate share of Adjusted EBITDA from net (loss) income of Sill for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 9,614	$ 11,182
Net (loss) income (GAAP)	$ (263)	$ 2,274
Interest and debt related expenses	562	605
Depreciation and amortization	987	884
Income tax (benefit) expense	(11)	624
Adjusted EBITDA (non-GAAP)	$ 1,275	$ 4,387
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,193*	*$ 4,093*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 94% and 93% of Sill, respectively.

MAP

As of March 31, 2026 and December 31, 2025, Madison Retirement Holdings TopCo, LLC ("MAP") had total assets of approximately $134.9 million and $132.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of MAP for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 12,428	$ 8,385
Net income (loss) (GAAP)	$ 567	$ (3,556)
Interest and debt related expenses	705	659
Depreciation and amortization	1,098	2,319
Income tax expense	81	1
Adjusted EBITDA (non-GAAP)	$ 2,451	$ (577)
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,394*	*$ (346)*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026 and 2025, we owned approximately 57% and 60%, respectively, of MAP.

IFPG

As of March 31, 2026 and December 31, 2025, International Franchise Professionals Group ("IFPG") had total assets of approximately $129.8 million and $131.0 million, respectively. The Company acquired its investments in IFPG in June 2025.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of IFPG for the three months ended March 31, 2026 (in thousands):

	Three Months Ended March 31, 2026
Revenues	$ 4,187
Net loss (GAAP)	$ (1,523)
Interest and debt related expenses	1,113
Depreciation and amortization	1,300
Income tax expense	145
Adjusted EBITDA (non-GAAP)	$ 1,035
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 940*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of March 31, 2026, we owned approximately 91% of IFPG.

Other Portfolio Companies

As of March 31, 2026, we held minority equity and debt positions in seven portfolio companies.

In March 2026, we made an additional equity investment in Milton of approximately $2.0 million.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase. In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Additionally, to the extent we have available cash we may make investments in short-term U.S. Treasury bills. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by fluctuating interest rates, record inflationary pressures due to global supply chain issues, a rise in energy prices, and the impact of the recent public health crises, natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of March 31, 2026 and December 31, 2025, we had cash and cash equivalents of approximately $83.8 million and $84.8 million, respectively.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $52.7 million and $29.2 million in net proceeds during the three months ended March 31, 2026 and 2025, respectively, from the Follow-On Public Offering and the Second Follow-On Public Offering, which excludes approximately $5.9 million and $5.2 million raised through our distribution reinvestment plan, respectively. As of March 31, 2026, we had approximately 804.6 million authorized common shares remaining for sale.

Investments. We received a return of capital from portfolio company investments of approximately $1.2 million and $0.2 million during the three months ended March 31, 2026 and 2025, respectively.

Borrowings. We did not borrow any amounts during the three months ended March 31, 2026 and 2025. See Note 8. "Borrowings" to the "Financial Statements" included in this supplement for additional information regarding our 2024 Line of Credit.

Uses of Liquidity and Capital Resources

Investments. We used approximately $4.0 million and $17.4 million of cash to purchase portfolio company investments during the three months ended March 31, 2026 and 2025, respectively.

Operating Activities. We used operating cash flows (excluding amounts related to investment activity) of approximately $17.6 million and $16.1 million during the three months ended March 31, 2026 and 2025, respectively.

Distributions. We paid distributions to our shareholders of approximately $5.3 million and $5.2 million (which excludes distributions reinvested of approximately $5.9 million and $5.2 million, respectively) during the three months ended March 31, 2026 and 2025, respectively. See "Distributions Declared" below for additional information.

Share Repurchases. We paid approximately $28.1 million and $19.2 million during the three months ended March 31, 2026 and 2025, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.0 million and $0.1 million in deferred financing costs during the three months ended March 31, 2026 and 2025, respectively.

Reimbursement of Expense Support. During the three months ended March 31, 2026 and 2025, there was no expense support reimbursed to the Manager and Sub-Manager.

As of March 31, 2026, there is approximately $0.9 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the three months ended March 31, 2026 and 2025 (three record dates). The following table reflects the total distributions declared during the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Three Months Ended March 31,					
	2026			2025		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested [2]	Distributions Declared[1][2]	Distributions Reinvested [2]	Cash Distributions Net of Distributions Reinvested [2]
First Quarter	$ 11,206	$ 5,859	$ 5,347	$ 10,372	$ 5,175	$ 5,197

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2026 – March 31, 2026	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2025 – March 31, 2025	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Three Months Ended March 31,			
	2026		2025	
	Amount	Percentage[1]	Amount	Percentage[1]
Net investment income before Expense Support (reimbursement)	$ 7,447	139.3 %	$ 8,692	167.3 %
Expense Support (reimbursement)	—	—	9	0.2%
Net investment income	$ 7,447	139.3 %	$ 8,701	167.5 %
Cash distributions declared, net of distributions reinvested[2]	$ 5,347	100.0 %	$ 5,197	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $5,859 and $5,175 of distributions reinvested pursuant to our distribution reinvestment plan during the three months ended March 31, 2026 and 2025, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. Distributions on the Non-founder shares may be lower than distributions on Founder shares because we are required to pay higher management and total return incentive fees to the Manager and the Sub-Manager with respect to the Non-founder shares. Additionally, distributions on Class T and Class D shares are lower than distributions on Class FA, Class A, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to Class T and Class D shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" to the "Financial Statements" included in this supplement for additional disclosures regarding distributions.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. Beginning with our repurchase date on June 30, 2025 and thereafter, a shareholder's repurchase request must be received by the repurchase agent on or before the date which is sixty (60) days prior to the date the Shares are redeemed. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

Our board of directors has the right to amend or suspend the Share Repurchase Program to the extent it determines that it is in our best interest to do so, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes, upon 30 days' prior notice to our shareholders. Once the Share Repurchase Program is suspended, the Share Repurchase Program requires that we consider the recommencement of the plan at least quarterly. Continued suspension of the Share Repurchase Program would only be permitted under the plan if our board of directors determines that the continued suspension of the Share Repurchase Program is in our best interest and the best interest of our shareholders. Our board of directors must affirmatively authorize the recommencement of the plan before shareholder requests will be considered again. Our board of directors cannot terminate the Share Repurchase Program absent a liquidity event or where otherwise required by law. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. Moreover, the Share Repurchase Program will terminate, and we no longer will accept shares for repurchase, if and when our shares are listed on a national securities exchange, are included for quotation in a national securities market or, in the sole determination of our board of directors, a secondary trading market for the shares otherwise develops. All shares to be repurchased under the Share Repurchase Program must be (i) fully transferable and not be subject to any liens or other encumbrances and (ii) free from any restrictions on transfer. If we determine that a lien or other encumbrance or restriction exists against the shares requested to be repurchased, we will not repurchase any such shares.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places. We have had no unfulfilled share repurchase requests ("Unfulfilled Repurchase Requests") under the Share Repurchase Program since inception.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the three months ended March 31, 2026 and 2025, we received requests for the repurchase of approximately $27.1 million and $18.6 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following tables summarize the shares repurchased during the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA shares	64	$ 2,752	$ 43.20
Class A shares	108	4,140	38.37
Class T shares	16	604	38.29
Class D shares	88	3,355	38.09
Class I shares	400	15,540	38.79
Class S shares	17	756	43.71
Three Months Ended March 31, 2026	693	$ 27,147	$ 39.15

Class FA shares	95	$ 3,794	$ 39.76
Class A shares	42	1,498	35.81
Class T shares	9	336	35.83
Class D shares	85	3,041	35.54
Class I shares	268	9,691	36.23
Class S shares	5	207	40.32
Three Months Ended March 31, 2025	504	$ 18,567	$ 36.78

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Through March 31, 2026, we had acquired equity and debt investments in 19 portfolio companies and disposed of one portfolio company. As of March 31, 2026 and 2025, the fair value of our portfolio company investments totaled approximately $1.4 billion and $1.2 billion, respectively. See "Portfolio and Investment Activity" above for discussion of the general terms and characteristics of our investments, and for information regarding our portfolio companies.

The following table summarizes our operating results for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Total investment income	$ 22,273	$ 16,906
Total operating expenses	(14,794)	(8,197)
Expense support (reimbursement), net	—	9
Net investment income before taxes	7,479	8,718
Income tax expense	(32)	(17)
Net investment income	**7,447**	**8,701**
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	19,185	9,866
Net increase in net assets resulting from operations	**$ 26,632**	**$ 18,567**

Investment Income

Investment income consisted of the following for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
From portfolio company investments:		
Interest income	$ 10,689	$ 10,296
Dividend income	8,953	3,931
PIK income	2,200	1,656
From cash accounts		
Interest income	431	1,023
Total investment income	**$ 22,273**	**$ 16,906**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of March 31, 2026 and 2025. As of March 31, 2026 and 2025, our weighted average annual yield on our accruing debt investments was 13.4% and 14.1%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." Interest income from our debt investments was approximately $10.7 million and $10.3 million during the three months ended March 31, 2026 and 2025, respectively. The increase in interest income from portfolio company investments during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, is primarily attributable to a new debt investment made during June 2025.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Dividend income was approximately $9.0 million and $3.9 million during the three months ended March 31, 2026 and 2025, respectively. During each of the three months ended March 31, 2026 and 2025, we received dividend income from thirteen and eight of our portfolio companies, respectively.

PIK income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as PIK income and added to the principal balance of the instrument. PIK income was approximately $2.2 million and $1.7 million for the three months ended March 31, 2026 and 2025, respectively.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the three months ended March 31, 2026 and 2025 were as follows (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Total return incentive fees	$ 5,979	$ 388
Base management fees	6,574	5,305
Offering expenses	182	540
Professional services	1,020	664
Pursuit costs	138	417
Distribution and shareholder servicing fees	505	491
Custodian and accounting fees	167	148
Insurance expense	55	55
Director fees and expenses	81	51
General and administrative expenses	59	82
Interest expense	34	56
Total operating expenses	**14,794**	**8,197**
Expense support	—	(9)
Net expenses	**$ 14,794**	**$ 8,188**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses, interest expense and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services and interest expense).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis. We perform a final reconciliation of the total return incentive fee calculation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We recorded total return incentive fees of approximately $6.0 million and $0.4 million during the three months ended March 31, 2026 and 2025, respectively. The increase in total return incentive fees during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, is primarily due to an increase of $9.3 million in the net change in unrealized appreciation on investments, including foreign currency gain (loss) offset by a decrease of $1.2 million in net investment income, taken over a larger Average Adjusted Capital during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears.

We incurred base management fees of approximately $6.6 million and $5.3 million during the three months ended March 31, 2026 and 2025, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash) which were approximately $1.4 billion and $1.2 billion during the three months ended March 31, 2026 and 2025, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to our condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

We incurred offering expenses of approximately $0.2 million and $0.5 million during the three months ended March 31, 2026 and 2025, respectively.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $0.1 million and $0.4 million during the three months ended March 31, 2026 and 2025, respectively.

Distribution and Shareholder Servicing Fee

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $0.5 million and $0.5 million during the three months ended March 31, 2026 and 2025.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, interest expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $1.4 million and $1.1 million during the three months ended March 31, 2026 and 2025, respectively.

Expense Support (Reimbursement)

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense Support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the Conditional Reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, we have received cumulative Expense Support of approximately $6.0 million. No expense support was reimbursed to the Manager and Sub-Manager during the three months ended March 31, 2026 and 2025.

As of March 31, 2026, there is approximately $0.9 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

The actual amount of Expense Support or Expense Support Reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

Other Expenses and Changes in Net Assets

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded and private comparable companies as determined by our independent valuation firm.

During the three months ended March 31, 2026, we recognized a net change in unrealized appreciation on our portfolio company investments of approximately $21.7 million. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on fifteen portfolio companies of approximately $27.0 million, offset partially by gross unrealized depreciation on three portfolio companies of approximately $5.2 million during the three months ended March 31, 2026. Gross unrealized appreciation was due to EBITDA growth, accretive add-on acquisitions, multiple expansion in certain of our portfolio companies and unrealized foreign currency gain. Gross unrealized depreciation was primarily driven by EBITDA declines and multiple compression. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $2.5 million during the three months ended March 31, 2026.

During the three months ended March 31, 2025, we recognized a net change in unrealized appreciation on portfolio company investments of approximately $11.2 million. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on nine portfolio companies of approximately $20.2 million, offset partially by gross unrealized depreciation on seven portfolio companies of approximately $9.0 million during the three months ended March 31, 2025. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions. Gross unrealized depreciation was primarily driven by EBITDA declines. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $1.4 million during the three months ended March 31, 2025.

Net Assets

During the three months ended March 31, 2026 and 2025, the net increase in net assets consisted of the following (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Operations	$ 26,632	$ 18,567
Distributions to shareholders	(11,206)	(10,372)
Capital transactions	17,268	15,810
Net increase in net assets	$ 32,694	$ 24,005

Operations increased by approximately $8.1 million, during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The increase in operations for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, is primarily due to an increase in the net change in unrealized appreciation on investments of approximately $9.3 million and offset by a decrease in net investment income of approximately $1.3 million.

Distributions increased approximately $0.8 million, during the three months ended March 31, 2026, respectively, as compared to the three months ended March 31, 2025, primarily as a result of an increase in shares outstanding.

Capital transactions increased by approximately $1.5 million, during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The increase in capital transactions for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, is primarily due to an increase in net proceeds received through the Public Offerings (including proceeds received through our distribution reinvestment plan) of approximately $10.0 million and an increase in share repurchases of approximately $8.6 million.

Total Returns

The following table illustrates year-to-date return ("YTD Return"), trailing 12 months return ("1-Year Return"), trailing 36 months return ("3-year Return"), trailing 60 months return ("5-Year Return") and Annualized Return Since Inception, and cumulative total returns through March 31, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Total Return Period
Class FA (no sales load)	2.1 %	12.3 %	34.2 %	65.6 %	11.0 %	134.3 %	Feb. 7, 2018 - Mar. 31, 2026
Class FA (with sales load)	(4.6)%	5.0 %	25.4 %	54.9 %	10.1 %	119.1 %	Feb. 7, 2018 - Mar. 31, 2026
Class A (no sales load)	1.9 %	11.1 %	30.5 %	55.8 %	10.0 %	113.9 %	Apr. 10, 2018 - Mar. 31, 2026
Class A (with sales load)	(6.8)%	1.7 %	19.4 %	42.5 %	8.8 %	95.7 %	Apr. 10, 2018 - Mar. 31, 2026
Class I	1.8 %	11.0 %	30.0 %	55.3 %	10.1 %	115.3 %	Apr. 10, 2018 - Mar. 31, 2026
Class T (no sales load)	1.7 %	10.1 %	27.6 %	50.5 %	9.1 %	97.7 %	May 25, 2018 - Mar. 31, 2026
Class T (with sales load)	(3.1)%	4.9 %	21.5 %	43.4 %	8.4 %	88.3 %	May 25, 2018 - Mar. 31, 2026
Class D	1.8 %	10.8 %	29.7 %	54.9 %	9.5 %	102.1 %	June 26, 2018 - Mar. 31, 2026
Class S (no sales load)	2.1 %	12.4 %	34.6 %	66.7 %	12.0 %	97.9 %	Mar. 31, 2020 - Mar. 31, 2026
Class S (with sales load)	(1.5)%	8.5 %	29.9 %	60.8 %	11.4 %	91.0 %	Mar. 31, 2020 - Mar. 31, 2026

FOOTNOTES:

(1) For the period from January 1, 2025 to March 31, 2026.
(2) For the period from April 1, 2025 to March 31, 2026.
(3) For the period from April 1, 2023 to March 31, 2026.
(4) For the period from April 1, 2021 to March 31, 2026.
(5) For the period from the date the first share was issued for each respective share class through March 31, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in this supplement and our recent Quarterly Report, including the negative impacts from recent geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3 investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Hedging Activities

As of March 31, 2026, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

See our Form 10-K for the year ended December 31, 2025 and Note 2. “Significant Accounting Policies” to the “Financial Statements” included in this supplement for a summary of our critical accounting policies.

Our Portfolio

The following disclosure supersedes and replaces the sections "Our Portfolio— Lawn Doctor," "Our Portfolio— Polyform," "Our Portfolio— Auriemma U.S. Roundtables," "Our Portfolio— Milton Industries," "Our Portfolio— Resolution Economics," "Our Portfolio— Blue Ridge ESOP Associates," "Our Portfolio— Healthcare Safety Holdings LLC," "Our Portfolio— ATA Title Company," "Our Portfolio—Douglas Machine Corp.," "Our Portfolio —Clarion Safety Systems," "Our Portfolio—Vektek Holdings," "Our Portfolio—TacMed Solutions," "Our Portfolio—Sill Public Adjusters," "Our Portfolio— USA Water," "Our Portfolio—Law Business Research," "Our Portfolio—MAP Retirement," "Our Portfolio—International Franchise Professionals Group," "Our Portfolio—Shipley Do-Nuts," and "Our Portfolio— USA Industries" respectively, which first appear on page 98 of the Prospectus.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions" and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 47 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operate a nationwide network of over 900 independently owned franchise units across the country as of March 31, 2026. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended March 31, 2026 was approximately $46.9 million. From the year ended December 31, 2009 to the trailing twelve months ended March 31, 2026, Lawn Doctor's total revenue has grown at compound annual growth rate of approximately 10.0%. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended March 31, 2026 was approximately $244 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc. ("Elite"), a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports multiple franchised locations, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States under the Sparkle Squad brand.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions," we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 55 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. Polyform estimates that its products are available in thousands of retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net sales for Polyform for the trailing twelve months ended March 31, 2026 were approximately $19.3 million. Net sales for Polyform have grown at a compound annual growth rate of approximately 3.3% from the year ended December 31, 2009 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in December 2028. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, commercial banking, wealth management, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, New York, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions support a sustainable revenue model. From 2019 to December 31, 2025, membership count has experienced strong and steady growth at a compound annual growth rate of approximately 8.0%. The total revenue for Roundtables for the trailing twelve months ended March 31, 2026 was approximately $19.8 million. Of the total revenue for Roundtables, the vast majority represented membership fees. From the year ended December 31, 2005 to the trailing twelve months ended March 31, 2026, Roundtables' total revenue has grown at a compound annual growth rate of approximately 13.6%.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
- In August 2023, Roundtables acquired insideARM, LLC ("insideARM"). Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, Illinois. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 3,500 active customers and 5,500 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended March 31, 2026, of approximately $117.7 million. Milton's net revenue has grown at a compound annual growth rate of approximately 9.4% from the year ended December 31, 2010 to the trailing twelve months ended March 31, 2026. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing ("Steck"). Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics ("Arrow"), a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.
- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.

- In March 2026, we made an additional equity investment in Milton of approximately $2.0 million to partially finance Milton's acquisition of Action Pump Co. ("Action"). Action manufactures industrial drum pumps and other related products serving broad industrial end markets which require safe transfer of oils, lubricants and chemicals in specific applications. We believe Milton's acquisition of Action further expands Milton's market presence in the industrial end markets and will be complementary to Milton's existing fluid handling products.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended March 31, 2026, of approximately $110.4 million. ResEcon's total revenue has grown at a compound annual growth rate of 14.6% from the year ended December 31, 2007 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. ("Berkshire"). Founded in 1983 and headquartered in Columbia, Maryland, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, California. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 16% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended March 31, 2026 was approximately $82.2 million. From the year ended December 31, 2005 to the trailing twelve months ended March 31, 2026, Blue Ridge's total revenue has grown at a compound annual growth rate of approximately 19.1% and grew each year through the financial crisis. As of December 31, 2025, Blue Ridge provides services for 1,600 ESOP plans with approximately 630,000 plan participants and over 8,200 401(k), defined benefit, and other type plans with approximately 280,000 plan participants.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.
- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.
- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.
- In March 2025, Blue Ridge acquired Qualified Retirement Plan Services ("QRPS"). Founded in 1988 and headquartered in Raleigh, North Carolina, QRPS is an independent third-party administrator of qualified retirement plans. The addition of QRPS further expands the Blue Ridge service offering, resource capacity, technical expertise, and geographical coverage, specifically in their 401(k) & Pension business line of services.
- In February 2026, Blue Ridge acquired the ESOP third-party administration services of AmbroseAdvisors, an investment banking and financial advisory firm that provides a full range of liquidity transaction options, capital placement and M&A services

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, Minnesota, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended March 31, 2026 was approximately $40.3 million. From the year ended December 31, 2005 to the trailing twelve months ended March 31, 2026, HSH's net revenue has grown at a compound annual growth rate of approximately 10.4%.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, Michigan, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers. Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended March 31, 2026 was approximately $59.4 million. From the year ended December 31, 2011 to the trailing twelve months ended March 31, 2026, ATA's total revenue has grown at a compound annual growth rate of approximately 2.6%.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). As of December 31, 2025, we owned approximately 95% of the outstanding equity in Clarion. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing

members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, Pennsylvania, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended March 31, 2026 was approximately $35.1 million. Revenue for Clarion has grown at an approximately 12.2% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC ("Arrow") headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics ("McLoone"). Founded in 1954 and headquartered in La Crosse, Wisconsin, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, Missouri, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended March 31, 2026 was approximately $35.8 million. Vektek's revenue has grown at an approximately 3.8% compound annual growth rate from the year ended December 31, 2006 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, South Carolina, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended March 31, 2026 was approximately $48.8 million. TacMed Solutions' revenue has grown at an approximately 7.8% compound annual growth rate from the year ended December 31, 2014 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us. As of March 31, 2026, we owned approximately 93% of Sill.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total revenue for the trailing twelve months ended as of March 31, 2026 was approximately $44.2 million. Sill's revenue has grown at an approximately 15.2% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended March 31, 2026.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, Massachusetts, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.
- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company ("Young"). Founded in 1920 and headquartered in Blue Bell, Pennsylvania, Young is a public adjusting firm serving the Philadelphia market.
- In November 2025, we made an additional equity investment of $5.7 million to finance Sill's acquisition of Precision Public Adjusting ("Precision"). Founded in 2020 and headquartered in Suwanee, Georgia, Precision is a public adjusting firm primarily serving residential customers in the greater Atlanta market.
- In April 2026, we made an additional equity investment of $1.8 million to finance Sill's acquisition of Berman Adjusters ("Berman"). Founded in 1984 and headquartered in Newton, Massachusetts, Berman is a public adjusting firm serving both residential and commercial customers in the greater New England.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended March 31, 2026, was approximately $161.9 million. From the year ended December 31, 2014 to the trailing twelve months ended March 31, 2026, USA Water achieved a compound annual growth rate in revenue of approximately 20.4%. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. ("AWR"). Headquartered in Austin, Texas, AWR provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.

- In February 2025, USA Water acquired Cenla Environmental Science ("Cenla"). Founded in 1994 and headquartered in Alexandria, Louisiana, Cenla is a provider of water and wastewater laboratory testing, operations, and maintenance services for municipal and commercial customers.
- In May 2025, USA Water acquired Florida Utility Solutions ("FUS"). Headquartered in Naples, Florida, FUS is a provider of operations, maintenance, and repair services for water and wastewater treatment plants throughout the state of Florida.
- In August 2025, USA Water acquired Tindall Enterprises, Inc. ("Tindall"). Headquartered in Blackshear, Georgia, Tindall provides full-scale water utility, laboratory and property environmental services to municipal, agricultural, industrial, and private entities.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR. As of December 31, 2025, we owned approximately 8% of LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. LBR has achieved a historical compound annual growth rate in revenue of approximately 17% through growth of new products, new customers, price increases and cross-selling over the period from December 31, 2020 through to December 31, 2023, on a pro forma basis inclusive of add-on acquisitions. The total revenue for LBR for the trailing twelve months ended March 31, 2026, was approximately $228.9 million. From the year ended December 31, 2012 to the trailing twelve months ended March 31, 2026, LBR achieved a compound annual growth rate in revenue of approximately 20.5%. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its new partnership with ICG.

- In April 2025, we made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.
- In October 2025, LBR acquired Legal Geek, a legal technology events platform headquartered in London.
- In December 2025, LBR acquired TLTF Summit, a conference for decision-makers at the intersection of law and technology.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total

investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management. As of March 31, 2026, we owned approximately 57% of MAP.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance, fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. MAP Retirement's total revenue for the trailing twelve months ended March 31, 2026 was approximately $51.4 million. From the year ended December 31, 2022 to the trailing twelve months ended March 31, 2026, MAP Retirement achieved a compound annual growth rate in revenue of approximately 56.3%. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement’s acquisition of Qualified Plan Consultants (“QPC”). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement’s presence in Iowa and the Midwest.
- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement’s acquisition of AimPoint Pension (“AimPoint”). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement’s Southeast presence.
- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement’s acquisition of Pension Plan Specialists (“PPS”). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.
- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.
- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.
- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. (“Blue Chip”), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.
- In October 2025, MAP acquired Retirement Solutions Specialists, a third-party administrator for retirement plans headquartered in Jacksonville, Florida

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group (“IFPG”). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG’s customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands,

and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, New Jersey and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. Over the period from December 31, 2022, through March 31, 2026, IFPG has achieved a compound annual growth rate in revenue of approximately 30.5% primarily driven by consistent revenue growth with its recurring membership base, securing new customers and expansion of service offerings. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

- In December 2025, we made an additional debt investment of $4.5 million to finance IFPG's acquisition of Franchise Business Review, a leading franchise survey platform. Founded in 2004 and headquartered in Portsmouth, New Hampshire, Franchise Business Review is a technology-enabled platform performing franchisee surveys for franchise brands to improve insights into its operational and franchise development performance and leverages its data for research and benchmarking studies, awards licensing and advertising.
- In March 2026, we made an additional equity investment of $3.0 million to finance IFPG's acquisition of Business Alliance Inc. ("Business Alliance"). Founded in 1991 and headquartered in Tacoma, Washington, Business Alliance is a franchise brokerage and consultancy business serving the franchise industry.

Shipley Do-Nuts

Overview. On September 25, 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC, which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC Holdco LLC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents approximately 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Company Overview. Headquartered in Houston, Texas, Shipley Do-Nuts is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its 90+ year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

Investment Highlights. We believe Shipley Do-Nuts has delivered robust historical growth across both same-store sales and unit count and continues to build upon a strong reputation for high quality products and customer service that it established over its 90+ year operating history. We believe Shipley Do-Nuts operates in the attractive donut market and has strong brand awareness. We believe Shipley Do-Nuts is highly franchised and has an established franchise network. Lastly, we believe Shipley Do-Nuts has an attractive financial profile driven by its largely recurring revenue base and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for Shipley Do-Nuts: (i) continued track record of positive same-store sales growth, (ii) continue to open new units, and (iii) investment in marketing and other areas.

USA Industries

Overview. On December 11, 2025, we, through our wholly-owned subsidiaries, USA-Ind Strategic Capital EquityCo, LLC and USA-Ind Strategic Capital DebtCo, LLC, made an approximately $5.0 million indirect co-investment alongside other

vehicles managed by affiliates of the Sub-Manager in USA Industries TopCo, LLC, which owns a controlling equity interest in USA Industries ("USA Industries"). Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $4.2 million and $0.8 million through a participation interest in secured debt of USA Industries. Our equity investment represents approximately 4% of the total equity ownership of USA Industries.

Company Overview. Headquartered in Houston, Texas, USA Industries is a manufacturer of industrial flow control and testing products serving refinery / petrochemical, chemical, and industrial end markets. USA Industries was founded in 1982.

Investment Highlights. Over its 40+-year operating history, we believe that USA Industries' historical revenue growth has been supported, in part, by its long-tenured and diverse customer base. We further believe that the large number of products in USA Industries' product portfolio combined with USA Industries' in-house engineering capabilities enable potential competitive advantages through the speed of delivery of its products, high customer service, and customization. As the installed base of infrastructure continues to age, we believe that USA Industries is well positioned to benefit from the anticipated product demand associated with required maintenance, repairs and operational needs within the end markets which USA Industries serves.

Growth Opportunities. The following are key growth opportunities for USA Industries: (i) sales force optimization, (ii) geographic expansion, (iii) new product development, and (iv) strategic M&A to further bolster the company's scale and presence.

Financial Statements

The Prospectus is hereby supplemented with the following financial information, which is excerpted from Part I—Item 1. "Financial Statements" in our Quarterly Report on Form 10-Q for the quarterly period ended on March 31, 2026.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	March 31, 2026 (Unaudited)	December 31, 2025
Assets		
Investments at fair value:		
Portfolio company investments (amortized cost of $1,026,561 and $1,029,526, respectively)	$ 1,422,966	$ 1,404,092
Cash and cash equivalents	83,776	84,798
Receivable for shares sold	—	14,106
Paid-in-kind ("PIK") receivable	7,740	—
Prepaid expenses and other assets	71	165
Total assets	1,514,553	1,503,161
Liabilities		
Due to related parties, net (Note 5)	8,419	31,790
Payable for shares repurchased	27,147	28,056
Deferred tax liabilities, net	25,414	22,909
Accounts payable and other accrued expenses	2,522	2,049
Total liabilities	63,502	84,804
Commitments and contingencies (Note 11)		
Members' Equity (Net Assets)		
Preferred shares, $0.001 par value, 50,000 shares authorized and unissued	—	—
Class FA Common shares, $0.001 par value, 7,400 shares authorized; 4,844 shares issued; 3,660 and 3,724 shares outstanding, respectively	4	4
Class A Common shares, $0.001 par value, 94,660 shares authorized; 9,877 and 9,559 shares issued, respectively; 9,236 and 9,026 shares outstanding, respectively	9	9
Class T Common shares, $0.001 par value, 558,620 shares authorized; 4,261 and 4,155 shares issued, respectively; 1,996 and 2,171 shares outstanding, respectively	2	2
Class D Common shares, $0.001 par value, 94,660 shares authorized; 3,442 and 3,419 shares issued, respectively; 2,987 and 3,051 shares outstanding, respectively	3	3
Class I Common shares, $0.001 par value, 94,660 shares authorized; 20,467 and 19,501 shares issued, respectively; 17,164 and 16,598 shares outstanding, respectively	17	17
Class S Common shares, $0.001 par value, 100,000 shares authorized; 1,770 shares issued; 1,671 and 1,688 shares outstanding, respectively	2	2
Capital in excess of par value	1,141,979	1,124,711
Distributable earnings	309,035	293,609
Total Members' Equity	$ 1,451,051	$ 1,418,357

Net asset value per share:		
Class FA	$ 43.58	$ 42.98
Class A	$ 38.61	$ 38.21
Class T	$ 38.54	$ 38.15
Class D	$ 38.33	$ 37.94
Class I	$ 39.03	$ 38.64
Class S	$ 44.07	$ 43.48

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Three Months Ended March 31,	
	2026	**2025**
Investment income		
From portfolio company investments:		
Interest income	$ 10,689	$ 10,296
Dividend income	8,953	3,931
PIK income	2,200	1,656
From cash accounts		
Interest income	431	1,023
Total investment income	22,273	16,906
Operating expenses		
Total return incentive fees	5,979	388
Base management fees	6,574	5,305
Offering expenses	182	540
Professional services	1,020	664
Pursuit costs	138	417
Distribution and shareholder servicing fees	505	491
Custodian and accounting fees	167	148
Insurance expense	55	55
Director fees and expenses	81	51
General and administrative expenses	59	82
Interest expense	34	56
Total operating expenses	14,794	8,197
Expense support	—	(9)
Net operating expenses	14,794	8,188
Net investment income before taxes	7,479	8,718
Income tax expense	(32)	(17)
Net investment income	7,447	8,701
Realized and unrealized gain (loss) on investments and foreign currency		
Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss):		
Portfolio company investments	21,690	11,239
Provision for deferred taxes on investments	(2,505)	(1,373)
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	19,185	9,866
Net gain on investments	19,185	9,866
Net increase in net assets resulting from operations	$ 26,632	$ 18,567

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2026	**2025**
Net increase in net assets resulting from operations per share		
Class FA	$ 0.91	$ 0.60
Class A	$ 0.71	$ 0.55
Class T	$ 0.64	$ 0.47
Class D	$ 0.67	$ 0.51
Class I	$ 0.70	$ 0.53
Class S	$ 0.90	$ 0.60
Weighted average shares		
Class FA	3,723	4,016
Class A	9,144	8,287
Class T	2,100	2,507
Class D	3,059	3,085
Class I	16,889	14,401
Class S	1,688	1,712

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2026 (in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2025	36,258	$ 37	$ 1,124,711	$ 293,609	$ 1,418,357
Net investment income	—	—	—	7,447	7,447
Net change in unrealized appreciation on investments	—	—	—	19,185	19,185
Distributions to shareholders	—	—	—	(11,206)	(11,206)
Issuance of common shares through the Public Offerings	997	1	38,555	—	38,556
Issuance of common shares through distribution reinvestment plan	152	—	5,859	—	5,859
Repurchase of common shares pursuant to share repurchase program	(693)	(1)	(27,146)	—	(27,147)
Balance as of March 31, 2026	36,714	$ 37	$ 1,141,979	$ 309,035	$ 1,451,051

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2024	33,704	$ 34	$ 1,031,526	$ 199,648	$ 1,231,208
Net investment income	—	—	—	8,701	8,701
Net change in unrealized appreciation on investments	—	—	—	9,866	9,866
Distributions to shareholders	—	—	—	(10,372)	(10,372)
Issuance of common shares through the Public Offerings	810	2	29,200	—	29,202
Issuance of common shares through distribution reinvestment plan	144	—	5,175	—	5,175
Repurchase of common shares pursuant to share repurchase program	(504)	(1)	(18,566)	—	(18,567)
Balance as of March 31, 2025	34,154	$ 35	$ 1,047,335	$ 207,843	$ 1,255,213

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2026	**2025**
Operating Activities:		
Net increase in net assets resulting from operations	$ 26,632	$ 18,567
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio company investments	(4,007)	(17,438)
Proceeds from sale of portfolio company investments	63	—
Proceeds from return of capital on portfolio company investments	1,220	210
Net change in unrealized appreciation on investments and foreign currency transactions, excluding deferred taxes	(21,690)	(11,239)
PIK income	(2,200)	(1,656)
Decrease in due to related parties	(23,371)	(23,766)
Increase in accounts payable and other accrued expenses	473	826
Increase in deferred tax liabilities, net	2,505	1,373
Increase (decrease) in prepaid expenses and other assets	76	(156)
Other operating activities	18	(2)
Net cash used in operating activities	(20,281)	(33,281)
Financing Activities:		
Proceeds from issuance of common shares	52,662	29,202
Payment on repurchases of common shares	(28,056)	(19,169)
Distributions paid, net of distributions reinvested	(5,347)	(5,197)
Deferred financing costs	—	134
Net cash provided by financing activities	19,259	4,970
Net decrease in cash	(1,022)	(28,311)
Cash and cash equivalents, beginning of period	84,798	146,319
Cash and cash equivalents, end of period	$ 83,776	$ 118,008

Supplemental disclosure of cash flow information and non-cash financing activities:		
Distributions reinvested	$ 5,859	$ 5,175
Amounts incurred but not paid (including amounts due to related parties):		
Offering costs	$ 25	$ 242
Payable for shares repurchased	$ 27,147	$ 18,567

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF MARCH 31, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.6%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc.	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Notes – First Lien					66,990	66,990
Senior Secured Note –12.1%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC[5]	Franchise Consulting Services	15.0%	6/23/2032	27,500	27,500	27,500
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2028	15,700	15,700	15,700
Sill Holdings, LLC[5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,313	24,313	24,313
Total Senior Secured Note					175,764	175,764
Senior Secured Notes – Second Lien – 4.4%						

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF MARCH 31, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc.	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc.	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Industries Holdings, LLC	Engineered Products	16.0%	6/9/2033	804	804	804
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes – Second Lien					63,206	63,206
Senior Secured PIK Notes - 1.2%						
LOCI Topco Limited[6][7]	Legal Services	3.84% PIK[9]	5/17/2039	8,959	$ 8,959	$ 8,873
LOCI Topco Limited[6][8]	Legal Services	3.84% PIK[9]	5/17/2039	8,959	8,959	8,873
Total Senior Secured PIK Notes					17,918	17,746
Total Senior Secured Notes					**$ 323,878**	**$ 323,706**
Preferred Equity - 5.1%						
LOCI Topco Limited[6][10]	Legal Services	8.16% PIK[9]		1	$ —	$ —

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF MARCH 31, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
LOCI Topco Limited[6][11]	Legal Services	8.50% PIK[9]		64,398,981	64,399	66,596
LOCI Topco Limited[6][12]	Legal Services	12.00% PIK[9]		5,905,774	7,855	7,780
Total Preferred Equity					72,254	74,376
Common Equity – 70.6%						
ATA Holding Company, LLC[13]	Real Estate Services			37,985	$ 37,125	$ 38,209
Auriemma U.S. Roundtables[13]	Information Services and Advisory Solutions			33,094	33,476	69,080
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	8,072	44,532
Clarion Safety Systems, LLC[13]	Visual Safety Solutions			68,891	70,316	114,083
Healthcare Safety Holdings, LLC[13]	Healthcare Supplies			17,320	17,320	46,081
IFPG TopCo, LLC[13]	Franchise Consulting Services			90,500	90,500	94,612
LOCI Topco Limited[6]	Legal Services			104,624	134	3,517
Lawn Doctor, Inc.[13]	Commercial and Professional Services			7,746	27,610	100,496
Madison Retirement Holdings TopCo, LLC[13]	Retirement Plan Services			61,500	61,272	97,430
Milton Industries Inc.	Engineered Products			8,060	10,911	22,896
Polyform Products, Co.[13]	Hobby Goods and Supplies			10,820	15,599	11,398
Resolution Economics, LLC	Legal Services			7,666	7,645	23,678
SDC Holdco LLC	Restaurant and Food			6,816	6,190	6,436

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF MARCH 31, 2026
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Sill Holdings, LLC[13]	Insurance Services			86,916	98,249	162,519
Tacmed Holdings, LLC[13]	Healthcare Supplies			77,000	76,744	101,368
USA Industries Holdings, LLC	Engineered Products			4,196	4,196	4,217
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,142	13,907
Vektek Holdings, LLC[13]	Engineered Products			56,928	56,928	70,425
Total Common Equity					630,429	1,024,884
TOTAL INVESTMENTS – 98.0%					**$ 1,026,561**	**$ 1,422,966**
OTHER ASSETS IN EXCESS OF LIABILITIES – 2.0%						28,085
NET ASSETS – 100.0%						$ 1,451,051

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.
(2) Percentages represent fair value as a percentage of net assets for each investment category.
(3) All investments are US based unless otherwise noted.
(4) As of March 31, 2026, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at March 31, 2026 was 3.65%.
(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.
(6) LBR is headquartered in the United Kingdom. LBR investment represents 6.6% of net assets based on fair value as of March 31, 2026.
(7) Represents Tranche A2 PIK Notes, which are subordinate to other notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).
(8) Represents Tranche B2 PIK Notes, which are subordinate to other notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).
(9) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance on the anniversary date, as applicable.
(10) Represents A2 Preferred Share of LOCI TopCo Limited.
(11) Represents B2 Preferred Shares of LOCI TopCo Limited.
(12) Represents B3 Preferred Shares of LOCI TopCo Limited.
(13) As of March 31, 2026, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.7%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Note - First Lien					66,990	66,990
Senior Secured Note –12.4%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC [5]	Franchise Consulting Services	15.0%	6/23/2032	27,500	27,500	27,500
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2028	15,700	15,700	15,700
Sill Holdings, LLC [5]	Business Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,375	24,375	24,375
Total Senior Secured Note					175,826	175,826
Senior Secured Note – Second Lien – 4.5%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Milton Industries Inc	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco, LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Industries Holdings, LLC	Engineered Products	16.0%	6/9/2033	804	804	804
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Note - Second Lien					63,206	63,206
Senior Secured PIK Notes - 1.3%						
LOCI Topco Limited[6][7]	Legal Services	3.84% PIK[9]	5/17/2039	9,192	9,192	9,306
LOCI Topco Limited[6][7]	Legal Services	3.84% PIK[9]	5/17/2039	9,191	9,191	9,305
Total Senior Secured PIK Notes					18,383	18,611
Total Senior Secured Notes					**$ 324,405**	**$ 324,633**
Preferred Equity – 5.7%						
LOCI Topco Limited [6][10]	Legal Services	8.16% PIK[9]		989,505	$ 990	$ 994
LOCI Topco Limited[6][11]	Legal Services	8.50% PIK[9]		67,997,448	67,997	71,697
LOCI Topco Limited[6][12]	Legal Services	12.00% PIK[9]		8,492,564	8,493	8,594
Total Preferred Equity					77,480	81,285
Common Equity – 70.4%						

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
ATA Holding Company, LLC [13]	Real Estate Services			37,985	$ 37,125	$ 36,050
Auriemma U.S. Roundtables [13]	Information Services and Advisory Solutions			33,094	33,476	69,758
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	8,072	43,234
Clarion Safety Systems, LLC [13]	Visual Safety Solutions			68,891	70,316	108,558
Healthcare Safety Holdings, LLC [13]	Healthcare Supplies			17,320	17,320	44,533
IFPG TopCo, LLC[13]	Franchise Consulting Services			90,500	90,500	92,672
LOCI Topco Limited [6]	Legal Services			104,624	134	5,829
Lawn Doctor, Inc [13]	Commercial and Professional Services			7,746	27,610	100,355
Madison Retirement Holdings TopCo, LLC[13]	Retirement Plan Services			61,500	61,436	91,495
Milton Industries, Inc	Engineered Products			7,395	8,903	19,898
Polyform Products, Co. [13]	Hobby Goods and Supplies			10,820	15,599	10,752
Resolution Economics, LLC	Legal Services			7,666	7,645	23,163
SDC Holdings, LLC	Restaurant and Food			6,816	6,764	7,123
Sill Holdings, LLC [13]	Insurance Services			85,828	96,249	157,788
Tacmed Holdings, LLC [13]	Healthcare Supplies			77,000	76,744	100,331
USA Industries Holdings, LLC	Engineered Products			4,196	4,196	4,196
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	13,199
Vektek Holdings, LLC [13]	Engineered Products			56,928	56,928	69,240
Total Common Equity					627,641	998,174

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Total Investments – 99.0%					$ 1,029,526	$ 1,404,092
OTHER ASSETS IN EXCESS OF LIABILITIES–1.0%						14,265
NET ASSETS–100.0%						$ 1,418,357

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.
(2) Percentages represent fair value as a percentage of net assets for each investment category.
(3) All investments are US based unless otherwise noted.
(4) As of December 31, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60% and SOFR + 4.60%, respectively. SOFR at December 31, 2025 was 3.79%.
(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.
(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.5% of net assets based on fair value as of December 31, 2025.
(7) Represents Tranche A2 PIK Notes, which are subordinate to other notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).
(8) Represents Tranche B2 PIK Notes, which are subordinate to other notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).
(9) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance.
(10) Represents A2 Preferred Share of LOCI TopCo Limited.
(11) Represents B2 Preferred Shares of LOCI TopCo Limited.
(12) Represents B3 Preferred Shares of LOCI TopCo Limited.
(13) As of December 31, 2025, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

1. Principal Business and Organization

CNL Strategic Capital, LLC (the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. The Company is externally managed by CNL Strategic Capital Management, LLC (the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"). The Manager is responsible for the overall management of the Company's activities and the Sub-Manager is responsible for the day-to-day management of the Company's assets. The Manager and the Sub-Manager are each registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisors Act"). The Company conducts and intends to continue its operations so that the Company and each of its subsidiaries do not fall within, or are excluded from, the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company intends to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. The Company's business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. The Company seeks to structure its investments with limited, if any, third-party senior leverage.

The Company intends for a significant majority of its total assets to be comprised of long-term controlling equity interests and debt positions in the businesses it acquires. In addition, and to a lesser extent, the Company may acquire other debt and minority equity positions. The Company intends to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. The Company may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. The Company expects that these positions will comprise a minority of its total assets.

The Company commenced its initial public offering of up to $1.1 billion of its limited liability company interests ("shares") on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, the Company commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Follow-On Registration Statement"). On November 1, 2024, the Company commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering," and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through its distribution reinvestment plan pursuant to a registration statement on Form S-1 (the "Second Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"), and terminated the Follow-On Public Offering.

Through the Second Follow-On Public Offering, the Company is offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, the "Non-founder shares"). There are differing selling fees and commissions and dealer manager fees for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Second Follow-On Public Offering (excluding sales pursuant to its distribution reinvestment plan). See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" to the "Financial Statements" included in this supplement for additional information regarding the Public Offerings.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Financial Accounting Standards Board Accounting Standards Codification ("ASC"), which requires the use of estimates, assumptions and the exercise of subjective judgment as to future uncertainties. In the opinion of management, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and necessary for the fair presentation of financial results as of and for the periods presented.

Although the Company is organized and intends to conduct its business in a manner so that it is not required to register as an investment company under the Investment Company Act, its financial statements are prepared using the specialized accounting principles of ASC Topic 946, "Financial Services—Investment Companies" ("ASC Topic 946") to utilize investment company accounting. The Company obtains funds through the issuance of equity interests to multiple unrelated investors, and provides such investors with investment management services. Further, the Company's business strategy is to acquire interests in middle-market U.S. businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, the Company believes that the use of investment company accounting on a fair value basis is consistent with the management of its assets on a fair value basis, and makes the Company's financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in the Company as compared to other investment products in the marketplace.

Principles of Consolidation

Under ASC Topic 946 the Company is precluded from consolidating any entity other than an investment company or an operating company which provides substantially all of its services to benefit the Company. In accordance therewith, the Company has consolidated the results of its wholly owned subsidiaries that are investment companies in its condensed consolidated financial statements. However, the Company has not consolidated the results of its subsidiaries in which the Company holds debt and equity investments. All intercompany account balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds at commercial banks. Demand deposits are carried at cost plus accrued interest, which approximates fair value. The Company deposits its cash with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Use of Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. The uncertainty of future events may materially impact the accuracy of the estimates and assumptions used in the financial statements and related footnotes and actual results could differ from those estimates.

Valuation of Investments

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") clarifies that fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs.

In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 2 or Level 3 asset.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets, where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes, are generally valued using Level 2 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3 – Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls will be determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each asset.

The Company's board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the Company's valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, its audit committee, and the independent third-party valuation firm. The determination of the fair value of the Company's Level 3 assets requires judgment, which include assets for which market prices are not available. For most of the Company's assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of the Company's net asset value is based, in part, on the fair value of its assets, the Company's calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that the Company ultimately realizes upon the disposal of such assets. Furthermore, through the valuation process, the Company's board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

The Company may also look to private merger and acquisition statistics, public trading multiples adjusted for illiquidity and other factors, valuations implied by third-party investments in the businesses or industry practices in determining fair value. The Company may also consider the size and scope of a business and its specific strengths and weaknesses, as well as any other factors it deems relevant in assessing the value.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation on Investments

The Company will measure realized gains or losses as the difference between the net proceeds from the sale, repayment, or disposal of an asset and the amortized cost basis of the asset, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on investments will reflect the change in asset values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Securities

The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)" in the Company's condensed consolidated statements of operations.

Income Recognition

Interest Income – Interest income from loans and debt securities is recorded on an accrual basis to the extent that the Company expects to collect such amounts. The Company does not accrue as a receivable interest on loans and debt securities for accounting purposes if it has reason to doubt its ability to collect such interest.

The Company places loans on non-accrual status when principal and interest are past due 90 days or more or when there is a reasonable doubt that the Company will collect principal or interest. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are generally restored to accrual status when past due principal and interest amounts are paid and, in management's judgment, are likely to remain current. Since inception, the Company has not experienced any past due payments on any of its loan investments.

Dividend Income – Dividend income is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Each distribution received from an equity investment is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments as dividend income unless there are sufficient current or accumulated earnings prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

PIK Income - PIK income is computed at the contractual rate specified in each instrument's applicable agreement and is accrued and recorded as income and capitalized to the principal balance of the instrument on the anniversary date, as applicable. Such income is accrued only to the extent that the Company believes that the PIK income is probable of being collected. PIK income capitalized to the principal balance is generally collected upon redemption or maturity of the instrument.

Paid in Capital

The Company records the proceeds from the sale of its common shares on a net basis to (i) capital shares at par value and (ii) paid in capital in excess of par value, excluding upfront selling commissions and dealer manager fees.

Share Repurchases

Under the Company's share repurchase program (the "Share Repurchase Program"), shares are redeemed as of the repurchase date, which will generally be the last business day of the month of a calendar quarter. Shares redeemed are retired and not available for reissue. See Note 7. "Capital Transactions" for additional information.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

Distribution and Shareholder Servicing Fees

The Company pays distribution and shareholder servicing fees with respect to its Class T and Class D shares, as described further below in Note 5. "Related Party Transactions." The Company records the distribution and shareholder servicing fees, which accrue daily, in the Company's condensed consolidated statements of operations as they are incurred.

Deferred Financing Costs

Financing costs, including upfront fees, commitment fees and legal fees related to borrowings (as further described in Note 8. "Borrowings") are deferred and amortized over the life of the related financing instrument using the effective yield method. The amortization of deferred financing costs is included in general and administrative expense in the Company's condensed consolidated statements of operations.

Allocation of Profit and Loss

Class-specific expenses, including base management fees, total return incentive fees, offering expenses, expense support (reimbursement), distribution and shareholder servicing fees and certain transfer agent fees, are allocated to each share class of common shares in accordance with how such expenses are attributable to the particular share classes, as determined by the Company's board of directors, the Company's governing agreements and, in certain cases, expenses which are specifically identifiable to a share class.

The following table reflects class-specific expenses by share class during the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 263	$ 1,840	$ 368	$ 580	$ 3,377	$ 146
Total return incentive fees	375	1,632	326	512	2,966	168
Offering expenses	—	1	18	2	161	—
Expense support	—	—	—	—	—	—
Other class-specific expenses [1]	8	44	194	149	264	6

	Three Months Ended March 31, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 268	$ 1,469	$ 410	$ 523	$ 2,502	$ 133
Total return incentive fees	270	—	—	—	—	118
Offering expenses	—	58	57	16	409	—
Expense support	—	—	—	—	—	(9)
Other class-specific expenses [1]	8	40	222	145	213	6

[1] Other class-specific expenses consist of distribution and shareholder servicing fees and certain transfer agent fees.

Income and expenses which are not class-specific are allocated monthly pro rata among the share classes based on shares outstanding as of the end of the month.

Net Investment Income per Share and Net Increase in Net Assets Resulting from Operations per Share

Net investment income per share and net increase in net assets resulting from operations per share are calculated for each share class of common shares based upon the weighted average number of common shares outstanding during the reporting period.

Distributions

The Company's board of directors has declared and intends to continue to declare distributions based on monthly record dates. The Company's distributions are paid in the same month as the declared record date. Distributions are made on all classes of the Company's shares at the same time.

The Company has adopted a distribution reinvestment plan that provides for reinvestment of distributions on behalf of shareholders. Non-founder shareholders participating in the distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable at a price per share equivalent to the then current public offering price, net of up-front selling commissions and dealer manager fees. Cash distributions paid on Class FA shares participating in the distribution reinvestment plan are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

Income Taxes

Under GAAP, the Company is subject to the provisions of ASC 740, "Income Taxes." The Company follows the authoritative guidance on accounting for uncertainty in income taxes and concluded it has no material uncertain tax positions to be recognized at this time. If applicable, the Company will recognize interest and penalties related to unrecognized tax benefits as income tax expense in the Company's condensed consolidated statements of operations.

The Company has operated and expects to continue to operate so that it will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation. Generally, if the Company were otherwise treated as a publicly traded partnership, the Company would not be taxable as a corporation if 90% or more of its gross income for each taxable year consists of "qualifying income" (generally, interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items) and the Company is not required to register under the Investment Company Act (the "qualifying income exception"). As a partnership, the individual shareholders are responsible for their proportionate share of the Company's taxable income.

The Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, and related tax assets and liabilities of the Taxable Subsidiaries are reflected in the Company's condensed consolidated financial statements. See Note 9. "Income Taxes" for additional information.

During the three months ended March 31, 2026 and 2025, the Company did not incur any material interest or penalties. Tax years ending December 31, 2021 and forward remain subject to examination by taxing authorities.

Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (the "CODM") is comprised of the Company's chief operating officer and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). In addition to numerous other factors and metrics, the CODM utilizes net income, net assets and total return as key metrics in determining the amount of dividends to be distributed to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying consolidated statement of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

Reclassifications

Certain reclassifications have been made to the condensed consolidated statement of operations for the three months ended March 31, 2025 to conform with the current year presentation. There was no impact on the Company's consolidated net income, net change in net assets resulting from operations, net cash used in operations or net cash provided by financing activities as a result of the reclassifications.

3. Investments

In January 2026, the Company made an additional equity investment in Sill Holdings, LLC ("Sill") of $2.0 million.

In March 2026, the Company made an additional equity investment in Milton Industries Inc ("Milton") of approximately $2.0 million.

The Company's investment portfolio is summarized as follows as of March 31, 2026 and December 31, 2025 (in thousands):

	As of March 31, 2026			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	4.7 %	4.6 %
Secured	175,764	175,764	12.4	12.1
Second lien	63,206	63,206	4.4	4.4
PIK notes	17,918	17,746	1.3	1.2
Total senior secured debt	323,878	323,706	22.8	22.3
Preferred equity	72,254	74,376	5.2	5.1
Common equity	630,429	1,024,884	72.0	70.6
Total investments	**$ 1,026,561**	**$ 1,422,966**	**100.0 %**	**98.0 %**

See notes to condensed consolidated financial statements.

	As of December 31, 2025			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	4.8 %	4.7 %
Secured	175,826	175,826	12.5	12.4
Second lien	63,206	63,206	4.5	4.5
PIK notes	18,383	18,611	1.3	1.3
Total senior secured debt	324,405	324,633	23.1	22.9
Preferred equity	77,480	81,285	5.8	5.7
Common equity	627,641	998,174	71.1	70.4
Total investments	**$ 1,029,526**	**$ 1,404,092**	**100.0 %**	**99.0 %**

FOOTNOTE:

(1) The amortized cost represents the original cost adjusted for capitalized PIK income on the anniversary date, as applicable.

Collectively, the Company's debt investments accrue interest at a weighted average per annum rate of 13.4% and have weighted average remaining years to maturity of 3.8 years as of March 31, 2026. The note purchase agreements contain customary covenants and events of default. As of March 31, 2026, all of the Company's portfolio companies were in compliance with their respective debt covenants. As of March 31, 2026 and December 31, 2025, none of the Company's debt investments were on non-accrual status.

The industry dispersion of the Company's portfolio company investments, based on fair value, as of March 31, 2026 and December 31, 2025 were as follows:

Industry	**March 31, 2026**	**December 31, 2025**
Healthcare Supplies	14.1 %	14.1 %
Insurance Services	12.5	12.4
Commercial and Professional Services	11.3	11.3
Retirement Plan Services	11.2	10.9
Engineered Products	10.6	10.4
Visual Safety Solutions	9.6	9.3
Legal Services	8.6	9.4
Franchise Consulting Services	8.6	8.5
Information Services and Advisory Solutions	5.8	6.0

See notes to condensed consolidated financial statements.

Real Estate Services	5.3	5.2
Hobby Goods and Supplies	1.9	1.9
Restaurant and Food	0.5	0.6
Total	100.0 %	100.0 %

Summarized Portfolio Company Financial Information

The Company had three significant portfolio companies in which it owned a controlling equity interest during the three months ended March 31, 2026 and 2025. The following tables present unaudited summarized operating data for the three months ended March 31, 2026 and 2025, and summarized balance sheet data as of March 31, 2026 (unaudited) and December 31, 2025 for these portfolio companies (in thousands):

Clarion

	Three Months Ended March 31,	
	2026	**2025**
Revenues	$ 9,188	$ 6,514
Expenses	(7,251)	(6,367)
Income before taxes	1,937	147
Income tax expense	(522)	(41)
Net income	$ 1,415	$ 106

	As of March 31, 2026	**As of December 31, 2025**
Current assets	$ 15,891	$ 16,070
Non-current assets	82,464	82,914
Current liabilities	3,601	4,963
Non-current liabilities	22,842	23,524
Stockholders' equity	71,912	70,497
Ownership percentage[(1)]	95 %	95 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

See notes to condensed consolidated financial statements.

Sill

	Three Months Ended March 31,	
	2026	2025
Revenues	$ 9,614	$ 11,182
Expenses	(9,888)	(8,284)
(Loss) income before taxes	(274)	2,898
Income tax benefit (expense)	11	(624)
Net (loss) income	$ (263)	$ 2,274

	As of March 31, 2026	As of December 31, 2025
Current assets	$ 12,749	$ 13,812
Non-current assets	108,939	109,240
Current liabilities	4,936	6,946
Non-current liabilities	17,839	18,186
Stockholders' equity	98,913	97,920
Ownership percentage[(1)]	94 %	93 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

MAP

	Three Months Ended March 31,	
	2026	2025
Revenues	$ 12,428	$ 8,385
Expenses	(11,780)	(11,940)
Income (loss) before taxes	648	(3,555)
Income tax expense	(81)	(1)
Net income (loss)	$ 567	$ (3,556)

See notes to condensed consolidated financial statements.

	As of March 31, 2026	As of December 31, 2025
Current assets	$ 18,364	$ 16,270
Non-current assets	116,537	116,603
Current liabilities	11,833	9,158
Non-current liabilities	22,901	22,888
Stockholders' equity	100,167	100,827
Ownership percentage[1]	57 %	57 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

4. Fair Value of Financial Instruments

The Company's investments were categorized in the fair value hierarchy described in Note 2. "Significant Accounting Policies," as follows as of March 31, 2026 and December 31, 2025 (in thousands):

	As of March 31, 2026				As of December 31, 2025			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Senior Debt	$ —	$ —	$ 323,706	$ 323,706	$ —	$ —	$ 324,633	$ 324,633
Preferred Equity	—	—	74,376	74,376	—	—	81,285	81,285
Common Equity	—	—	1,024,884	1,024,884	—	—	998,174	998,174
Total Investments	**$ —**	**$ —**	**$ 1,422,966**	**$ 1,422,966**	**$ —**	**$ —**	**$ 1,404,092**	**$ 1,404,092**

The ranges of unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of March 31, 2026 and December 31, 2025 were as follows (in thousands):

	As of March 31, 2026				
Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input[2]**
Senior Debt	$ 323,706	Discounted Cash Flow	Discount Rate	10.5% – 18.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.5x – 19.0x (12.7x)	Increase
		Transaction Method			
Preferred Equity	74,376	Discounted Cash Flow	Discount Rate	10.5% – 18.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.5x – 19.0x (12.7x)	Increase
		Transaction Method			
Common Equity	1,024,884	Discounted Cash Flow	Discount Rate	10.5% – 18.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.5x – 19.0x (12.7x)	Increase
		Transaction Method			

See notes to condensed consolidated financial statements.

Total	**$**	**1,422,966**				

As of December 31, 2025

Asset Group	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)[1]	Impact to Valuation from an Increase in Input[2]
Senior Debt	$ 323,829	Discounted Cash Flow	Discount Rate	10.0% – 17.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.7x – 20.4x (12.8x)	Increase
		Transaction Method			
	804	Transaction Precedent	Transaction Price	N/A	N/A
Preferrred Equity	81,285	Discounted Cash Flow	Discount Rate	10.0% – 17.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.7x – 20.4x (12.8x)	Increase
		Transaction Method			
Common Equity	993,978	Discounted Cash Flow	Discount Rate	10.0% – 17.0% (13.7%)	Decrease
		Market Comparables	EBITDA Multiple	5.7x – 20.4x (12.8x)	Increase
		Transaction Method			
	4,196	Transaction Precedent	Transaction Price	N/A	N/A
Total	**$ 1,404,092**				

FOOTNOTES:

(1) Discount rates are relative to the enterprise value of the portfolio companies and are not the market yields on the associated debt investments. Unobservable inputs were weighted by the relative fair value of the investments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.

The preceding tables include the significant unobservable inputs as they relate to the Company's determination of fair values for its investments categorized within Level 3 as of March 31, 2026 and December 31, 2025. In addition to the techniques and inputs noted in the tables above, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the fair value estimates for the Company's investments. Any significant increases or decreases in the unobservable inputs would result in significant increases or decreases in the fair value of the Company's investments.

Investments that do not have a readily available market value are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a present value amount range. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors the Company may take into account to determine the fair value of its investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

The following tables provide a reconciliation of investments for which Level 3 inputs were used in determining fair value for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31, 2026			
	Senior Debt	Preferred Equity	Common Equity	Total
Fair value balance as of January 1, 2026	$ 324,633	$ 81,285	$ 998,174	$ 1,404,092
Additions	—	—	4,007	4,007
Principal repayment	(63)	—	—	(63)
PIK receivable reclass	(468)	(5,247))	—	(5,715)
Return of capital[(1)]	—	—	(1,220)	(1,220)
Net change in unrealized appreciation, including unrealized foreign currency gain	(396)	(1,662)	23,923	21,865
Fair value balance as of March 31, 2026	$ 323,706	$ 74,376	$ 1,024,884	$ 1,422,966
Change in net unrealized appreciation on investments held as of March 31, 2026	$ (396)	$ (1,662)	$ 23,923	$ 21,865

	Three Months Ended March 31, 2025			
	Senior Debt	Preferred Equity	Common Equity	Total
Fair value balance as of January 1, 2025	$ 292,284	$ 61,155	$ 787,420	$ 1,140,859
Additions	—	—	17,500	17,500
Principal repayment	(62)	—	—	(62)
PIK income	—	1,656	—	1,656
Return of capital[(1)]	—	—	(210)	(210)

See notes to condensed consolidated financial statements.

Net change in unrealized appreciation	—	1,939	9,300	11,239
Fair value balance as of March 31, 2025	$ 292,222	$ 64,750	$ 814,010	$ 1,170,982
Change in net unrealized appreciation on investments held as of March 31, 2025	$ —	$ 1,939	$ 9,300	$ 11,239

FOOTNOTE:

(1) Represents portion of distributions received which were accounted for as a return of capital. See Note 2. "Significant Accounting Policies" for information on the accounting treatment of distributions from portfolio companies.

5. Related Party Transactions

The Manager and Sub-Manager, along with certain affiliates of the Manager or Sub-Manager, receive fees and compensation in connection with the Public Offerings, as well as the acquisition, management and sale of the assets of the Company, as follows:

Managing Dealer

Commissions — The Company pays CNL Securities Corp. (the "Managing Dealer"), an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.

Dealer Manager Fee — The Company pays the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and 1.75% of the price of each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.

Distribution and Shareholder Servicing Fee — The Company pays the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee, subject to certain limits, that is allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase.

Manager and/or Sub-Manager

Offering Costs — The Company reimburses the Manager and the Sub-Manager, along with their respective affiliates, for the offering costs (other than selling commissions and dealer manager fees) they have incurred on the Company's behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. The Company incurred an obligation to reimburse the Manager and Sub-Manager for offering costs based on actual amounts raised through the Public Offerings of approximately $0.2 million and $0.5 million during the three months ended March 31, 2026 and 2025, respectively.

Base Management Fee to Manager and Sub-Manager — The Company pays each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement described below. The Company incurred base management fees of approximately $6.6 million and $5.3 million during the three months ended March 31, 2026 and 2025, respectively.

The base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares of a particular class, 2% of the product of (x) the Company's average gross assets and (y) the ratio of Non-founder shares Average Adjusted Capital (as defined below), for a particular class to total Average Adjusted Capital and (ii) for the Founder shares of a particular class, 1% of the product of (x) the Company's average gross assets and (y) the ratio of outstanding Founder shares Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The management fee for a certain month is calculated based on the average value of the Company's gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets reflects changes in the fair market value of the Company's assets, which does not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation or depreciation. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below. For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. "Adjusted Capital" is defined as cumulative proceeds generated from sales of the Company's shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of upfront selling commissions and dealer manager fees ("sales load"), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, and adjusted for share conversions, if any, for such class.

Total Return Incentive Fee on Income to the Manager and Sub-Manager — The Company also pays each of the Manager and the Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. The Company recorded total return incentive fees of approximately $6.0 million and $0.4 million during the three months ended March 31, 2026 and 2025, respectively.

The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. The Company will accrue (but not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annualized basis. The Company will perform a final reconciliation of the total return incentive fee calculation at the completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below.

For purposes of this calculation, "Total Return to Shareholders" for each annualized period is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of each calendar month end. The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" mean the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares or Founder shares, as applicable.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annualized Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").

- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-Founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.
- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular class exceeds 7.777% in any calendar year.
- For any annualized period in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.
- For purposes of calculating the Total Return to Shareholders, the change in the Company's net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the Company since inception, adjusted for any special distributions resulting from the sale of the Company's assets, provided such adjustment is approved by the Company's board of directors. If, as of each calendar year end, the Company's net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in the Company's net asset value for such share class in excess of the High Water Mark, and (B) if the Company's net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in the Company's per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in the Company's per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. With respect to the calculation of Total Return to Shareholders, the following tables provides the applicable High Water Marks for the years ended December 31, 2026 and 2025:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2026	$ 42.98	$ 38.21	$ 38.15	$ 37.94	$ 38.64	$ 43.48
December 31, 2025	39.55	35.68	35.72	35.42	36.12	40.09

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable period. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar month end.

Reimbursement to Manager and Sub-Manager for Operating Expenses and Pursuit Costs — The Company reimburses the Manager and the Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to the Company, including fees, costs, expenses, liabilities and obligations relating to the Company's activities, acquisitions, dispositions, financings and business, subject to the terms of the Company's limited liability company agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement (as defined below). The Company does not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for the benefit of the Company.

Expense Support and Conditional Reimbursement Agreement — The Company entered into an expense support and conditional reimbursement agreement with the Manager and the Sub-Manager, as amended, (the "Expense Support and Conditional Reimbursement Agreement"), which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that the Company's annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of the Company's distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support and Conditional Reimbursement Agreement (the "Expense Support").

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Until the Expense Support and Conditional Reimbursement Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager. Expense support is paid by the Manager and Sub-Manager annually in arrears.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), the Company uses such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support and Conditional Reimbursement Agreement. The Company's obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, the Company has received cumulative Expense Support of approximately $6.0 million. Of the Expense Support received through March 31, 2026, approximately $4.9 million had been reimbursed and approximately $0.2 million was no longer eligible for reimbursement. As of March 31, 2026, approximately $0.9 million of Expense Support collected from the Manager and Sub-Manager is subject to reimbursement.

Distributions

Individuals and entities affiliated with the Manager and Sub-Manager owned approximately 0.4 million shares as of March 31, 2026 and 2025. These individuals and entities received distributions from the Company of approximately $0.1 million for each of the three months ended March 31, 2026 and 2025.

Summary of Related Party Fees and Expenses

Related party fees and expenses incurred for the three months ended March 31, 2026 and 2025 are summarized below (in thousands):

Related Party	Source Agreement & Description	Three Months Ended March 31, 2026	2025
Managing Dealer	Managing Dealer Agreement:		
	Commissions[1]	$ 125	$ 130
	Dealer manager fees[1]	72	72
	Distribution and shareholder servicing fees[2]	316	337
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:		
	Offering expense reimbursement[3][4]	182	540
	Base management fees[3]	6,574	5,305
	Total return incentive fees[3]	5,979	388
Manager and Sub-Manager	Agreement: Expense Support	—	(9)
Manager	Administrative Services Agreement: Reimbursement of third-party operating expenses[3][5]	47	41
	Shareholder servicing fees[2]	189	154
Sub-Manager	Sub-Management Agreement:		
	Reimbursement of third-party pursuit costs[3][6]	138	417

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in the Company's condensed consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in the Company's condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in the Company's condensed consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties net as of March 31, 2026 and December 31, 2025 (in thousands):

	March 31, 2026	December 31, 2025
Due from related parties:		
Expense Support	$ —	$ 950
Total due from related parties	—	950
Due to related parties:		
Total return incentive fees	$ (5,979)	$ (30,321)
Base management fees	(2,279)	(2,222)
Offering expenses	(25)	(65)
Distribution and shareholder servicing fees	(107)	(115)
Reimbursement of third-party operating expenses and pursuit costs	(29)	(17)
Total due to related parties	$ (8,419)	$ (32,740)
Due to related parties, net	$ (8,419)	$ (31,790)

6. Distributions

The Company's board of directors declared distributions on a monthly basis in each of the three months ended March 31, 2026 and 2025 (three record dates). The following table reflects the total distributions declared during the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Three Months Ended March 31,					
	2026			2025		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]	Distributions Declared[1][2]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]
First Quarter	$ 11,206	$ 5,859	$ 5,347	$ 10,372	$ 5,175	$ 5,197

FOOTNOTES:

(1) The Company's board of directors declared distributions per share on a monthly basis. See Note 12. "Financial Highlights" for distributions declared by share class. Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2026 - March 31, 2026	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2025 - March 31, 2025	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

The sources of declared distributions on a GAAP basis were as follows (in thousands):

	Three Months Ended March 31,			
	2026		2025	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income[1]	$ 7,447	66.5 %	$ 8,701	83.9 %
Distributions in excess of net investment income[2]	3,759	33.5	1,671	16.1
Total distributions declared	$ 11,206	100.0 %	$ 10,372	100.0 %

See notes to condensed consolidated financial statements.

FOOTNOTES:

(1) Net investment income includes Expense Support of $0 and $9 for the three months ended March 31, 2026 and 2025, respectively. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

(2) Consists of distributions made from offering proceeds for the periods presented.

In March 2026, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on April 27, 2026 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

7. Capital Transactions

Public Offerings

Under the Second Follow-On Public Offering, the Company has offered and continues to offer up to $1.0 billion of shares, on a best efforts basis, which means that CNL Securities Corp., as the Managing Dealer of the Second Follow-On Public Offering, uses its best effort but is not required to sell any specific amount of shares. The Company is offering, in any combination, four classes of shares in the Second Follow-On Public Offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in shares. There are differing selling fees and commissions for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The public offering price, selling commissions and dealer manager fees per share class are determined monthly as approved by the Company's board of directors. As of March 31, 2026, the public offering price was $41.93 per Class A share, $40.20 per Class T share, $38.09 per Class D share and $38.79 per Class I share.

The Company is also offering, in any combination, up to $100.0 million of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to its distribution reinvestment plan.

See Note 13. "Subsequent Events" for additional information related to the Public Offerings.

The following tables summarize the total shares issued and proceeds received by share class in connection with the Public Offerings, excluding shares repurchased through the Share Repurchase Program described further below, for the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Three Months Ended March 31, 2026								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	4	$ 163	$ (14)	$ 149	50	$ 1,924	54	$ 2,073	$ 38.29
Class T	95	3,849	(183)	3,666	10	379	105	4,045	38.23
Class D	10	364	—	364	14	524	24	888	38.01
Class I	888	34,377	—	34,377	78	3,032	966	37,409	38.72
	997	$ 38,753	$ (197)	$ 38,556	152	$ 5,859	1,149	$ 44,415	$ 38.64

See notes to condensed consolidated financial statements.

	Three Months Ended March 31, 2025								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	10	$ 384	$ (33)	$ 351	51	$ 1,806	61	$ 2,157	$ 35.68
Class T	96	3,606	(170)	3,436	11	412	107	3,848	35.76
Class D	20	715	—	715	14	513	34	1,228	35.40
Class I	684	24,700	—	24,700	68	2,444	752	27,144	36.13
	810	$ 29,405	$ (203)	$ 29,202	144	$ 5,175	954	$ 34,377	$ 36.03

FOOTNOTE:

(1) The Company incurs selling commissions and dealer manager fees on the sale of Class A and Class T shares sold through the Public Offerings. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information regarding up-front selling commissions and dealer manager fees.

Share Repurchase Program

In accordance with the Share Repurchase Program, the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares is limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). At the sole discretion of the Company's board of directors, the Company may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

During the three months ended March 31, 2026 and 2025, the Company received requests for the repurchase of approximately $27.1 million and $18.6 million, respectively, of the Company's common shares. The Company's board of directors approved the repurchase requests.

The following table summarizes the shares repurchased during the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	64	$ 2,752	$ 43.20
Class A	108	4,140	38.37
Class T	16	604	38.29
Class D	88	3,355	38.09
Class I	400	15,540	38.79
Class S	17	756	43.71
Three Months Ended March 31, 2026	693	$ 27,147	$ 39.15

See notes to condensed consolidated financial statements.

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	95	$ 3,794	$ 39.76
Class A	42	1,498	35.81
Class T	9	336	35.83
Class D	85	3,041	35.54
Class I	268	9,691	36.23
Class S	5	207	40.32
Three Months Ended March 31, 2025	504	$ 18,567	$ 36.78

As of March 31, 2026 and December 31, 2025, the Company had a payable for shares repurchased of approximately $27.1 million and $28.1 million, respectively, which were paid in April and January 2026, respectively.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the three months ended March 31, 2026, approximately 264,000 Class T shares were converted to approximately 264,000 Class A shares at an average conversion rate of 1.00. During the three months ended March 31, 2025, approximately 89,000 Class T shares were converted to approximately 89,000 Class A shares at an average conversion rate of 1.00.

8. Borrowings

In February 2024, CNL Strategic Capital B, Inc. (“Borrower”), a wholly-owned subsidiary of the Company, and Valley National Bank, entered into a Revolving Loan Agreement (the “2024 Loan Agreement”) for a $50.0 million revolving line of credit (the “2024 Line of Credit”). In connection with the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.2 million. The Borrower is required to pay interest on any borrowed amounts under the 2024 Line of Credit at a rate per year equal to the 1-Month Term SOFR plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of 0.15% on the difference between (i) total 2024 Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the 2024 Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the 2024 Loan Agreement at any time and such borrowings are required to be repaid within 180 days of the borrowing date. Under the 2024 Loan Agreement, the Company is required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by the Company.

In February 2024, the Company entered into a Guaranty agreement to act as a guarantor of the Borrower’s outstanding borrowings under the 2024 Loan Agreement (the “Guaranty Agreement”). On February 15, 2024, the Borrower and the Company also entered into a pledge and assignment of bank and deposit accounts (“2024 Pledge Agreement”) in favor of Valley National Bank. Under the 2024 Pledge Agreement, the Company is required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company’s offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the 2024 Loan Agreement.

In February 2025, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to February 15, 2026. The amendment additionally grants Valley National Bank the ability to increase the maximum commitment an additional $50.0 million at their discretion. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million.

In February 2026, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to May 15, 2026.

The Company had not borrowed any amounts under the 2024 Line of Credit and no amounts under the 2024 Line of Credit were outstanding as of March 31, 2026.

9. Income Taxes

The Company incurs income tax expense related to its Taxable Subsidiaries. The components of income tax expense were as follows during the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	**2025**
Current:		
Federal	$ 33	$ 15
State	$ (1)	$ 2
Total current tax expense	$ 32	$ 17
Deferred:		
Federal	2,417	1,315
State	88	58
Total deferred tax expense	2,505	1,373
Total income tax expense	$ 2,537	$ 1,390

The effective tax rate for the three months ended March 31, 2026 and 2025 was 8.7% and 7.0%, respectively. The primary items giving rise to the difference between the 21.0% federal statutory rate applicable to corporations and the effective tax rates are due to state taxes and the benefits of the partnership structure.

Significant components of the Company's deferred tax assets and liabilities as of March 31, 2026 and December 31, 2025 were as follows (in thousands):

	March 31, 2026	December 31, 2025
Deferred tax assets:		
Carryforwards of net operating loss	$ 4,227	$ 4,754
Other	—	12
Valuation allowance	(243)	(234)
Total deferred tax assets	3,984	4,532
Deferred tax liabilities:		
Unrealized appreciation on investments	(29,398)	(27,441)
Total deferred tax liabilities	(29,398)	(27,441)
Deferred tax liabilities, net	$ (25,414)	$ (22,909)

10. Concentrations of Risk

The Company had three portfolio companies which met at least one of the significance tests under Rule 10-01(b) of Regulation S-X for at least one of the periods presented in the condensed consolidated financial statements.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on the Company's results of operations and cash flows from operations, which would impact its ability to make distributions to shareholders.

11. Commitments & Contingencies

See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for information on contingent amounts due to the Manager and Sub-Manager for the reimbursement of offering costs under the Public Offerings and for the reimbursement of Expense Support.

From time to time, the Company and officers or directors of the Company may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its businesses. As of March 31, 2026, the Company was not involved in any legal proceedings.

In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company. However, based on experience, the Company expects that risk of loss to be remote.

12. Financial Highlights

The following are schedules of financial highlights of the Company attributed to each class of shares for the three months ended March 31, 2026 and 2025 (in thousands except per share data):

	Three Months Ended March 31, 2026					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 42.98**	**$ 38.21**	**$ 38.15**	**$ 37.94**	**$ 38.64**	**$ 43.48**
Net investment income, before Expense Support (reimbursement)[1]	0.39	0.19	0.12	0.15	0.17	0.38
Expense Support (reimbursement)[1][2]	—	—	—	—	—	—
Net investment income[1]	0.39	0.19	0.12	0.15	0.17	0.38
Net realized and unrealized gains, net of taxes[1][3]	0.52	0.52	0.52	0.52	0.53	0.52
Net increase resulting from investment operations	**0.91**	**0.71**	**0.64**	**0.67**	**0.70**	**0.90**
Distributions to shareholders[4]	(0.31)	(0.31)	(0.25)	(0.28)	(0.31)	(0.31)
Net decrease resulting from distributions to shareholders	**(0.31)**	**(0.31)**	**(0.25)**	**(0.28)**	**(0.31)**	**(0.31)**
Net Asset Value, End of Period	**$ 43.58**	**$ 38.61**	**$ 38.54**	**$ 38.33**	**$ 39.03**	**$ 44.07**
Net assets, end of period	$ 159,531	$ 356,615	$ 76,938	$ 114,489	$ 669,858	$ 73,620
Average net assets[5]	$ 160,446	$ 350,111	$ 80,408	$ 116,293	$ 653,793	$ 73,582
Shares outstanding, end of period	3,660	9,236	1,996	2,987	17,164	1,671
Distributions declared	$ 1,164	$ 2,855	$ 526	$ 860	$ 5,274	$ 527
Total investment return based on net asset value before total return incentive fee[6]	2.36 %	2.34 %	2.12 %	2.23 %	2.28 %	2.32 %
Total investment return based on net asset value after total return incentive fee[6]	2.06 %	1.87 %	1.69 %	1.78 %	1.83 %	2.09 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.26 %	0.64 %	0.82 %	0.73 %	0.68 %	0.29 %
Total operating expenses before Expense Support (reimbursement)	0.49 %	1.10 %	1.22 %	1.17 %	1.13 %	0.52 %
Total operating expenses after Expense Support (reimbursement)	0.49 %	1.10 %	1.22 %	1.17 %	1.13 %	0.52 %
Net investment income before total return incentive fee[8]	1.14 %	0.96 %	0.71 %	0.84 %	0.90 %	1.09 %
Net investment income	0.90 %	0.49 %	0.31 %	0.40 %	0.45 %	0.86 %

See notes to condensed consolidated financial statements.

	Three Months Ended March 31, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net investment income before Expense Support (reimbursement)[1]	0.31	0.27	0.18	0.23	0.24	0.31
Expense Support (reimbursement)[1][2]	—	—	—	—	—	—
Net investment income[1]	0.31	0.27	0.18	0.23	0.24	0.31
Net realized and unrealized gains, net of taxes[1][3]	0.29	0.28	0.29	0.28	0.29	0.29
Net increase resulting from investment operations	**0.60**	**0.55**	**0.47**	**0.51**	**0.53**	**0.60**
Distributions to shareholders[4]	(0.31)	(0.31)	(0.25)	(0.28)	(0.31)	(0.31)
Net decrease resulting from distributions to shareholders	**(0.31)**	**(0.31)**	**(0.25)**	**(0.28)**	**(0.31)**	**(0.31)**
Net Asset Value, End of Period	**$ 39.84**	**$ 35.92**	**$ 35.94**	**$ 35.65**	**$ 36.34**	**$ 40.38**
Net assets, end of period	$ 156,247	$ 299,816	$ 90,549	$ 107,710	$ 531,970	$ 68,921
Average net assets[5]	$ 159,067	$ 295,821	$ 89,556	$ 109,304	$ 520,321	$ 68,742
Shares outstanding, end of period	3,922	8,346	2,520	3,021	14,638	1,707
Distributions declared	$ 1,255	$ 2,589	$ 626	$ 868	$ 4,499	$ 535
Total investment return based on net asset value before total return incentive fee[6]	1.67 %	1.56 %	1.32 %	1.45 %	1.48 %	1.69 %
Total investment return based on net asset value after total return incentive fee[6]	1.53 %	1.56 %	1.32 %	1.45 %	1.48 %	1.51 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.27 %	0.64 %	0.88 %	0.73 %	0.71 %	0.30 %
Total operating expenses	0.44 %	0.64 %	0.88 %	0.73 %	0.71 %	0.46 %
Net investment income before total return incentive fee[8]	0.96 %	0.75 %	0.51 %	0.65 %	0.68 %	0.94 %
Net investment income	0.79 %	0.75 %	0.51 %	0.65 %	0.68 %	0.77 %

FOOTNOTES:

(1) The per share amounts presented are based on weighted average shares outstanding.

(2) Expense Support (reimbursement) is accrued throughout the year and is subject to a final calculation as of the last business day of the calendar year.

(3) The amount shown at this caption is the balancing figure derived from the other figures in the schedule. The amount shown at this caption for a share outstanding throughout the period may not agree with the change in the aggregate gains and losses in portfolio investments for the period because of the timing of sales and repurchases of the Company's shares in relation to fluctuating fair values for the portfolio investments.

(4) The per share data for distributions is the actual amount of distributions paid or payable per common share outstanding during the entire period; distributions per share are rounded to the nearest $0.01.

See notes to condensed consolidated financial statements.

(5) The computation of average net assets during the period is based on net assets measured at each month end, adjusted for capital contributions or withdrawals during the month.

(6) Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA assumes distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class, including Class S shares which do not participate in the distribution reinvestment plan. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee described in Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement. See footnote (8) below for information regarding the percentage of total incentive fees covered by expense support by share class for all periods presented. Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by shareholders in the purchase of the Company's shares.

(7) Actual results may not be indicative of future results. Additionally, an individual investor's ratios may vary from the ratios presented for a share class as a whole.

(8) Amounts represent net investment income before total return incentive fee and related expense support as a percentage of average net assets. For the three months ended March 31, 2026, none of the total return incentive fees for any share class were covered by Expense Support. For the three months ended March 31, 2025, approximately 7% of total return incentive fees for Class S were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T, Class D or Class I were covered by Expense Support.

13. Subsequent Events

Distributions

In April 2026, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on May 26, 2026 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

Offerings

In April 2026, the Company's board of directors approved new per share offering prices for each share class in the Second Follow-On Public Offering. The new offering prices are effective as of April 30, 2026. The following table provides the new offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective April 30, 2026:				
Offering Price, Per Share	$ 42.20	$ 40.46	$ 38.33	$ 39.03
Selling Commissions, Per Share	2.53	1.21		
Dealer Manager Fees, Per Share	1.06	0.71		

Capital Transactions

During the period April 1, 2026 through May 6, 2026, the Company received additional net proceeds from the Second Follow-On Public Offering and distribution reinvestment plan of the following (in thousands except per share data):

	Proceeds from Second Follow-On Public Offering				Distribution Reinvestment Plan		Total		
Share Class	Shares	Gross Proceeds	Sales Load	Net Proceeds to Company	Shares	Gross Proceeds	Shares	Net Proceeds to Company	Average Net Proceeds per Share
Class A	6	$ 266	$ (23)	$ 243	17	$ 642	23	$ 885	$ 38.61
Class T	36	1,443	(67)	1,376	3	120	39	1,496	38.54
Class D	—	15	—	15	5	173	5	188	38.33
Class I	315	12,283	—	12,283	26	1,042	341	13,325	39.03
	357	$ 14,007	$ (90)	$ 13,917	51	$ 1,977	408	$ 15,894	$ 38.95

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CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 19 DATED APRIL 24, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 19 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended March 31, 2026;
- certain return information for all outstanding classes of shares; and
- an update to the "Our Portfolio" section.

Public Offering Price Adjustment

On April 23, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of April 30, 2026 and will be used for the Company's next monthly closing for subscriptions on April 30, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of March 31, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$42.20	$40.46	$38.33	$39.03
Selling Commissions, Per Share	$2.53	$1.21		
Dealer Manager Fees, Per Share	$1.06	$0.71		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On April 23, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
May 26, 2026	May 27, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended March 31, 2026

On April 23, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of March 31, 2026 (in thousands, except per share data):

Month Ended March 31, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$159,531	$356,615	$76,938	$114,489	$669,858	$73,620	$1,451,051
Number of Outstanding Shares	3,660	9,236	1,996	2,987	17,164	1,671	36,714
Net Asset Value, Per Share	$43.58	$38.61	$38.54	$38.33	$39.03	$44.07	
Net Asset Value, Per Share Prior Month	$43.20	$38.37	$38.29	$38.09	$38.79	$43.71	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.38	$0.24	$0.25	$0.24	$0.24	$0.36	

The change in the Company's net asset value per share for each applicable share class for the month ended March 31, 2026 was primarily driven by the increases in the fair value of thirteen out of eighteen of the Company's portfolio company investments. The fair value of five of the Company's portfolio company investments decreased during the same period. As of March 31, 2026, the Company had total assets of approximately $1.51 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through March 31, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	2.1%	12.3%	34.2%	65.6%	11.0%	134.3%	February 7, 2018 – March 31, 2026
Class FA (with sales load)	-4.6%	5.0%	25.4%	54.9%	10.1%	119.1%	February 7, 2018 – March 31, 2026
Class A (no sales load)	1.9%	11.1%	30.5%	55.8%	10.0%	113.9%	April 10, 2018 – March 31, 2026
Class A (with sales load)	-6.8%	1.7%	19.4%	42.5%	8.8%	95.7%	April 10, 2018 – March 31, 2026
Class I	1.8%	11.0%	30.0%	55.3%	10.1%	115.3%	April 10, 2018 – March 31, 2026
Class T (no sales load)	1.7%	10.1%	27.6%	50.5%	9.1%	97.7%	May 25, 2018 – March 31, 2026
Class T (with sales load)	-3.1%	4.9%	21.5%	43.4%	8.4%	88.3%	May 25, 2018 – March 31, 2026
Class D	1.8%	10.8%	29.7%	54.9%	9.5%	102.1%	June 26, 2018 – March 31, 2026
Class S (no sales load)	2.1%	12.4%	34.6%	66.7%	12.0%	97.9%	March 31, 2020 – March 31, 2026
Class S (with sales load)	-1.5%	8.5%	29.9%	60.8%	11.4%	91.0%	March 31, 2020 – March 31, 2026

[1] For the period from January 1, 2026 through March 31, 2026.
[2] For the period from April 1, 2025 through March 31, 2026.
[3] For the period from April 1, 2023 through March 31, 2026.
[4] For the period from April 1, 2021 through March 31, 2026.
[5] For the period from the date the first share was issued for each respective share class through March 31, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the three months ended March 31, 2026, sources of declared distributions on a GAAP basis were as follows:

	Three Months Ended March 31, 2026	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 7,447	66.5 %
Net realized gains	—	— %
Distributions in excess of net investment income and net realized gains[2]	3,759	33.5 %
Total distributions declared	$ 11,206	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Three Months Ended March 31, 2026	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 7,447	139.3 %
Expense support (reimbursement)	—	— %
Net investment income	$ 7,447	139.3 %
Net realized gains	—	— %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	— %
Cash distributions declared net of distributions reinvested[3]	$ 5,347	100.0 %

[1] There was no expense support (reimbursement) due from the Manager and Sub-Manager for the three months ended March 31, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the three months ended March 31, 2026, excludes $5,859 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Blue Ridge ESOP Associates" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In February 2026, Blue Ridge acquired the ESOP third-party administration services of AmbroseAdvisors, an investment banking and financial advisory firm that provides a full range of liquidity transaction options, capital placement and M&A services.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Milton Industries" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In March 2026, we made an additional equity investment in Milton of approximately $2.0 million to partially finance Milton's acquisition of Action Pump Co. ("Action"). Action manufactures industrial drum pumps and other related products serving broad industrial end markets which require safe transfer of oils, lubricants and chemicals in specific applications. We believe Milton's acquisition of Action further expands Milton's market presence in the industrial end markets and will be complementary to Milton's existing fluid handling products.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Law Business Research" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In December 2025, LBR acquired TLTF Summit, a conference for decision-makers at the intersection of law and technology.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Sill Public Adjusters" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In April 2026, we made an additional equity investment of $1.8 million to finance Sill's acquisition of Berman Adjusters ("Berman"). Founded in 1984 and headquartered in Newton, Massachusetts, Berman is a public adjusting firm serving both residential and commercial customers in the greater New England market.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "International Franchise Professionals Group" contained within the "Our Portfolio" section, which appears on page 97 of the Prospectus.

- In April 2026, we made an additional equity investment of $3.0 million to finance IFPG's acquisition of Business Alliance Inc. ("Business Alliance"). Founded in 1991 and headquartered in Tacoma, Washington, Business Alliance is a franchise brokerage and consultancy business serving the franchise industry.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 18 DATED APRIL 10, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 18 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- an update to our "Suitability Section" section;
- an update to our Prospectus Summary;
- updates to the "Our Portfolio" section;
- update to the "Management— Historical Experience of LLCP and its Affiliates" section;
- updates to the "Experts" section; and
- to include our Annual Report on Form 10-K for the year ended December 31, 2025.

Suitability Standards

The following disclosure amends and restates the additional suitability requirements for investors residing in Idaho under the section "Suitability Standards" which appears on page ii of the Prospectus.

Idaho – Investors who reside in the state of Idaho must have either (i) a net worth of $100,000 and annual income of $100,000 or (ii) a liquid net worth of $350,000 (excluding the value of a purchaser's home, furnishings and automobiles). Additionally, an Idaho investor's total investment in us shall not exceed 10% of his or her liquid net worth. Liquid net worth is defined as that portion of net worth consisting of cash, cash equivalents and readily marketable securities.

Prospectus Summary

The following disclosure supersedes and replaces the second paragraph under the section "Prospectus Summary—Q: Who are Levine Leichtman Strategic Capital, LLC and LLCP?" which appears on page 3 of the Prospectus.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 41 years. Since its inception in 1984, LLCP and its affiliates have managed approximately $18.3 billion of capital and currently manages approximately $12.6 billion of assets through September 30, 2025. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP's global team of dedicated investment professionals is led by nine partners ("LLCP Senior Executives") who have worked at LLCP for an average of 20 years. LLCP currently has 90 employees, including over 48 dedicated investment professionals.

Our Portfolio

The following disclosure supersedes and replaces the sections "Our Portfolio— Lawn Doctor," "Our Portfolio— Polyform," "Our Portfolio— Auriemma U.S. Roundtables," "Our Portfolio— Milton Industries," "Our Portfolio— Resolution Economics," "Our Portfolio— Blue Ridge ESOP Associates," "Our Portfolio— Healthcare Safety Holdings LLC," "Our Portfolio— ATA Title Company," "Our Portfolio—Douglas Machine Corp.," "Our Portfolio —Clarion Safety Systems," "Our Portfolio—Vektek Holdings," "Our Portfolio—TacMed Solutions," "Our Portfolio—Sill Public Adjusters," "Our Portfolio— USA Water," "Our Portfolio—Law Business Research," "Our Portfolio—MAP Retirement," "Our Portfolio—International Franchise Professionals Group," "Our Portfolio—Shipley Do-Nuts," and "Our Portfolio— USA Industries" respectively, which first appear on page 98 of the Prospectus. We have investments in the following portfolio companies. The financial information in this section is unaudited.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions" and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 46 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operate a nationwide network of over 900 independently owned franchise units across the country as of December 31, 2025. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended December 31, 2025 was approximately $47.8 million. From the year ended December 31, 2009 to the trailing twelve months ended December 31, 2025, Lawn Doctor's total revenue has grown at compound annual growth rate of approximately 10.3%. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended December 31, 2025 was approximately $244 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc. ("Elite"), a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports multiple franchised locations, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States under the Sparkle Squad brand.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions," we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 55 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. Polyform estimates that its products are available in thousands of retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product

variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net sales for Polyform for the trailing twelve months ended December 31, 2025 were approximately $19.6 million. Net sales for Polyform have grown at a compound annual growth rate of approximately 3.5% from the year ended December 31, 2009 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in December 2028. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, commercial banking, wealth management, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, New York, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions support a sustainable revenue model. From 2019 to December 31, 2025, membership count has experienced strong and steady growth at a compound annual growth rate of approximately 8.0%. The total revenue for Roundtables for the trailing twelve months ended December 31, 2025 was approximately $19.7 million. Of the total revenue for Roundtables, the vast majority represented membership fees. From the year ended December 31, 2005 to the trailing twelve months ended December 31, 2025, Roundtables' total revenue has grown at a compound annual growth rate of approximately 13.7%.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
- In August 2023, Roundtables acquired insideARM, LLC ("insideARM"). Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, Illinois. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 3,500 active customers and

5,500 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended December 31, 2025, of approximately $104.5 million. Milton's net revenue has grown at a compound annual growth rate of approximately 8.7% from the year ended December 31, 2010 to the trailing twelve months ended December 31, 2025. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing ("Steck"). Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics ("Arrow"), a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.
- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended December 31, 2025, of approximately $104.6 million. ResEcon's total revenue has grown

at a compound annual growth rate of 14.5% from the year ended December 31, 2007 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. ("Berkshire"). Founded in 1983 and headquartered in Columbia, Maryland, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, California. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 16% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended December 31, 2025 was approximately $78.3 million. From the year ended December 31, 2005 to the trailing twelve months ended December 31, 2025, Blue Ridge's total revenue has grown at a compound annual growth rate of approximately 19.0% and grew each year through the financial crisis. Blue Ridge provides services for 1,600 ESOP plans with approximately 630,000 plan participants and over 8,200 401(k), defined benefit, and other type plans with approximately 280,000 plan participants.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.
- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.
- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.

- In March 2025, Blue Ridge acquired Qualified Retirement Plan Services ("QRPS"). Founded in 1988 and headquartered in Raleigh, North Carolina, QRPS is an independent third-party administrator of qualified retirement plans. The addition of QRPS further expands the Blue Ridge service offering, resource capacity, technical expertise, and geographical coverage, specifically in their 401(k) & Pension business line of services.

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, Minnesota, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended December 31, 2025 was approximately $39.6 million. From the year ended December 31, 2005 to the trailing twelve months ended December 31, 2025, HSH's net revenue has grown at a compound annual growth rate of approximately 10.5%.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, Michigan, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers. Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended December 31, 2025 was approximately $57.8 million. From the year ended December 31, 2011 to the trailing twelve months ended December 31, 2025, ATA's total revenue has grown at a compound annual growth rate of approximately 2.5%.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary,

DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). As of December 31, 2025, we owned approximately 95% of the outstanding equity in Clarion. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, Pennsylvania, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended December 31, 2025 was approximately $33.6 million. Revenue for Clarion has grown at an approximately 12.1% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC ("Arrow") headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics ("McLoone"). Founded in 1954 and headquartered in La Crosse, Wisconsin, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, Missouri, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended December 31, 2025 was approximately $35.2 million. Vektek's revenue has grown at an approximately 3.7% compound annual growth rate from the year ended December 31, 2006 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, South Carolina, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended December 31, 2025 was approximately $47.8 million. TacMed Solutions' revenue has grown at an approximately 7.8% compound annual growth rate from the year ended December 31, 2014 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us. As of December 31, 2025, we owned approximately 93% of Sill.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total revenue for the trailing twelve months ended as of December 31, 2025 was approximately $47.2 million. Sill's revenue has grown at an approximately 16.0% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended December 31, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, Massachusetts, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.
- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company ("Young"). Founded in 1920 and headquartered in Blue Bell, Pennsylvania, Young is a public adjusting firm serving the Philadelphia market.
- In November 2025, we made an additional equity investment of $5.7 million to finance Sill's acquisition of Precision Public Adjusting ("Precision"). Founded in 2020 and headquartered in Suwanee, Georgia, Precision is a public adjusting firm primarily serving residential customers in the greater Atlanta market.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended December 31, 2025, was approximately $153.7 million. From the year ended December 31, 2014 to the trailing twelve months ended December 31, 2025, USA Water achieved a compound annual growth rate in revenue of approximately 20.4%. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. ("AWR"). Headquartered in Austin, Texas, AWR provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.
- In February 2025, USA Water acquired Cenla Environmental Science ("Cenla"). Founded in 1994 and headquartered in Alexandria, Louisiana, Cenla is a provider of water and wastewater laboratory testing, operations, and maintenance services for municipal and commercial customers.
- In May 2025, USA Water acquired Florida Utility Solutions ("FUS"). Headquartered in Naples, Florida, FUS is a provider of operations, maintenance, and repair services for water and wastewater treatment plants throughout the state of Florida.
- In August 2025, USA Water acquired Tindall Enterprises, Inc. ("Tindall"). Headquartered in Blackshear, Georgia, Tindall provides full-scale water utility, laboratory and property environmental services to municipal, agricultural, industrial, and private entities.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR. As of December 31, 2025, we owned approximately 8% of LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. LBR has achieved a historical compound annual growth rate in revenue of approximately 17% through growth of new products, new customers, price increases and cross-selling over the period from December 31, 2020 through to December 31, 2023, on a pro forma basis inclusive of add-on acquisitions. The total revenue for LBR for the trailing twelve months ended December 31, 2025, was approximately £171.6 million. From the year ended December 31, 2012 to the trailing twelve months ended December 31, 2025, LBR achieved a compound annual growth rate in revenue of approximately 22.4%. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its new partnership with ICG.

- In April 2025, we made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.
- In October 2025, LBR acquired Legal Geek, a legal technology events platform headquartered in London.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management. As of December 31, 2025, we owned approximately 57% of MAP.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance, fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. MAP Retirement's total revenue for the trailing twelve months ended December 31, 2025 was approximately $49.0 million. From the year ended December 31, 2022 to the trailing twelve months ended December 31, 2025, MAP Retirement achieved a compound annual growth rate in revenue of approximately 59.5%. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement's acquisition of Qualified Plan Consultants ("QPC"). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement's presence in Iowa and the Midwest.
- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement's acquisition of AimPoint Pension ("AimPoint"). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement's Southeast presence.
- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement's acquisition of Pension Plan Specialists ("PPS"). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.
- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.
- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.
- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. ("Blue Chip"), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.
- In October 2025, MAP acquired Retirement Solutions Specialists, a third-party administrator for retirement plans headquartered in Jacksonville, Florida

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. In connection with the acquisition of IFPG, the Company borrowed approximately $30 million under its revolving Line of Credit. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands,

and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, New Jersey and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. Over the period from December 31, 2022, through December 31, 2025, IFPG has achieved a compound annual growth rate in revenue of approximately 32.3% primarily driven by consistent revenue growth with its recurring membership base, securing new customers and expansion of service offerings. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

- In December 2025, we made an additional debt investment of $4.5 million to finance IFPG's acquisition of Franchise Business Review, a leading franchise survey platform. Founded in 2004 and headquartered in Portsmouth, New Hampshire, Franchise Business Review is a technology-enabled platform performing franchisee surveys for franchise brands to improve insights into its operational and franchise development performance and leverages its data for research and benchmarking studies, awards licensing and advertising.

Shipley Do-Nuts

Overview. On September 25, 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC, which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC Holdco LLC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents approximately 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Company Overview. Headquartered in Houston, Texas, Shipley Do-Nuts is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its nearly 90-year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

Investment Highlights. We believe Shipley Do-Nuts has delivered robust historical growth across both same-store sales and unit count and continues to build upon a strong reputation for high quality products and customer service that it established over its nearly 90-year operating history. We believe Shipley Do-Nuts operates in the attractive donut market and has strong brand awareness. We believe Shipley Do-Nuts is highly franchised and has an established franchise network. Lastly, we believe Shipley Do-Nuts has an attractive financial profile driven by its largely recurring revenue base and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for Shipley Do-Nuts: (i) continued track record of positive same-store sales growth, (ii) continue to open new units, and (iii) investment in marketing and other areas.

USA Industries

Overview. On December 11, 2025, we, through our wholly-owned subsidiaries, USA-Ind Strategic Capital EquityCo, LLC and USA-Ind Strategic Capital DebtCo, LLC, made an approximately $5.0 million indirect co-investment alongside other vehicles managed by affiliates of the Sub-Manager in USA Industries TopCo, LLC, which owns a controlling equity interest in USA Industries ("USA Industries"). Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $4.2 million and $0.8 million through a participation interest in secured debt of USA Industries. Our equity investment represents approximately 4% of the total equity ownership of USA Industries.

Company Overview. Headquartered in Houston, Texas, USA Industries is a manufacturer of industrial flow control and testing products serving refinery / petrochemical, chemical, and industrial end markets. USA Industries was founded in 1982.

Investment Highlights. Over its 40+year operating history, we believe that USA Industries' historical revenue growth has been supported, in part, by its long-tenured and diverse customer base. We further believe that the large number of products in USA Industries' product portfolio combined with USA Industries' in-house engineering capabilities enable potential competitive advantages through the speed of delivery of its products, high customer service, and customization. As the installed base of infrastructure continues to age, we believe that USA Industries is well positioned to benefit from the anticipated product demand associated with required maintenance, repairs and operational needs within the end markets which USA Industries serves.

Growth Opportunities. The following are key growth opportunities for USA Industries: (i) sales force optimization, (ii) geographic expansion, (iii) new product development, and (iv) strategic M&A to further bolster the company's scale and presence.

Historical Experience of LLCP and its Affiliates

The following disclosure supersedes and replaces the section "Historical Experience of LLCP and its Affiliates" which first appears on page 115 of the Prospectus.

Historical Experience of LLCP and its Affiliates

The information presented herein represents the historical experience of programs sponsored or managed in the last ten years by LLCP and its affiliates, through December 31, 2025, except as otherwise indicated, that have similar business objectives to us (the "Private Acquisition Funds"). The purpose of this prior performance information is to enable investors to evaluate accurately the experience of LLCP and its affiliates in sponsoring programs.

Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in the Private Acquisition Funds. Investors who purchase our shares will not thereby acquire an ownership interest in any of the entities to which the following information relates. Further, the Private Acquisition Funds 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 as a publicly offered company.

We consider a prior program to have a business objective similar to us if the program acquires, or has acquired, controlling and minority equity interests in growing middle-market businesses located primarily in the United States. Although a business objective is similar, the specific acquisition criteria of a prior program may vary from program to program as compared to our acquisition criteria.

General

Since its inception in 1984 through December 31, 2025, LLCP and its affiliates have managed approximately $18.5 billion of capital from over 200 institutional and other investors. From 1994 through December 31, 2025, LLCP has sponsored and managed seventeen private funds including the Private Acquisition Funds (collectively, the "LLCP Private Funds") in addition to our company, and invested approximately $10.6 billion in approximately 120 middle-market companies across various industries, including Franchising & Multi-Unit, Business Services, Education & Training, and Engineered Products. As of December 31, 2025, 83 businesses had been sold by the LLCP Private Funds. The aggregate investment cost of these businesses was approximately $4.9 billion with a realized value of approximately $13.3 billion. With respect to the LLCP Private Funds, we believe that we have a similar business objective with the Private Acquisition Funds, which are described below.

Private Acquisition Funds

The Private Acquisition Funds acquire, or have acquired, controlling and minority equity interests in growing middle-market businesses located primarily in the United States. The Private Acquisition Funds are described below.

- ***Levine Leichtman Capital Partners, L.P.*** ("LLCP I") launched in 1994, closed in 1994 with a total of approximately $102.5 million of capital commitments and made six investments. LLCP I primarily focused on companies in the U.S. with annual revenues of $50 to $500 million. LLCP I was liquidated in 2009.

- ***Levine Leichtman Capital Partners II, L.P.*** ("LLCP II") launched in December 1997, closed in August 1999 with a total of approximately $350 million of capital commitments and has made twelve investments. LLCP II primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP II was liquidated in 2021.

- ***Levine Leichtman Capital Partners III, L.P.*** ("LLCP III") launched in June 2002, closed in December 2004 with a total of approximately $500 million of capital commitments and has made fourteen investments. LLCP III primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP III was liquidated in 2022.

- ***Levine Leichtman Capital Partners IV, L.P.*** ("LLCP IV") launched in September 2007, closed in October 2009 with a total of approximately $1.1 billion of capital commitments and has made eleven investments. LLCP IV primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP IV has exited each of its investments and is in the process of liquidating.

- ***Levine Leichtman Capital Partners V, L.P.*** ("LLCP V") launched in September 2012, closed in March 2014 with a total of approximately $1.6 billion of capital commitments and has made eleven investments. LLCP V primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP V's investment period has expired; however, it may be called upon to provide follow-on capital for existing investments.

- ***Levine Leichtman Capital Partners VI, L.P.*** ("LLCP VI") launched in November 2016, closed in December 2018 with a total of approximately $2.5 billion of capital commitments and has made ten investments. LLCP VI primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP VI's investment period has expired; however, it may be called upon to provide follow-on capital for existing investments.

- ***Levine Leichtman Capital Partners VII, L.P.*** ("LLCP VII") launched in September 2022, closed in June 2025 with a total of approximately $3.6 billion of capital commitments and has made four investments. LLCP VII primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP VII is currently in its investment period.

- ***Levine Leichtman Capital Partners Small Business Fund, L.P.*** ("LMM I Fund") launched in May 2010, closed in February 2011 with a total of approximately $226 million of capital commitments and has made seven investments. The LMM I Fund focuses on companies in the U.S. with annual revenues of less than $50 million at the time of investment. The LMM I Fund's investment period has expired.

- ***LLCP Lower Middle Market Fund, L.P.*** ("LMM II Fund") launched in March 2016, closed in October 2016 with a total of $615 million of capital commitments and has made eight investments. The LMM II Fund focuses on U.S. companies with annual revenues of less than $50 million at the time of investment. In November 2024, the fund sold its remaining portfolio investments to LLCP LMM Acquisition Fund, L.P., a continuation vehicle managed by LLCP.

- ***LLCP LMM Acquisition Fund, L.P.*** ("LLCP CV") launched and closed in November 2024 with a total of $575 million of capital commitments (including committed but uncalled capital) and with three investments. The LLCP CV is in its active term, with committed capital available for follow-on investments.

- ***LLCP Lower Middle Market Fund III, L.P.*** ("LMM III Fund") launched in September 2020, closed in September 2021 with a total of $1.38 billion of capital commitments and has made ten investments so far. The LMM III Fund focuses on U.S. companies with annual revenues of less than $50 million at the time of investment. The LMM III Fund is currently in its investment period.

Affiliates of the Sub-Manager have sponsored certain other vehicles which we believe we do not have a similar investment objective. More specifically, the Levine Leichtman Capital Partners Deep Value Fund, L.P., which was fully liquidated in March 2018, did not have business objectives similar to ours because it primarily made debt investments in stressed, distressed or over-leveraged companies and the Levine Leichtman Capital Partners Private Capital Solutions, L.P. does not have business objectives similar to ours because it primarily makes investments in value-oriented, slower growth middle-market companies. The Levine Leichtman Capital Partners California Growth Fund, L.P. does not have business objectives similar to ours because it limits its investments to only companies in California and invests in loan and debt originations of third parties. The Levine Leichtman Capital Partners Europe, L.P. and the Levine Leichtman Capital Partners Europe II SCSP also do not have business objectives similar to ours because they limit their investments to only companies in Europe.

The table below sets forth certain performance data relating to the Private Acquisition Funds. From 1994 through December 31, 2025, the Private Acquisition Funds invested approximately $8.5 billion in 96 investments generating a gross internal rate of return of 20.6% and a 2.2x cash-on-cash multiple. This performance and other data are not a guarantee or prediction of the returns that we may achieve in the future.

Private Acquisition Funds
Performance From Inception through December 31, 2025[1]

($ in thousands)	As of December 31, 2025						
	Total Number of Investments	Investment Amount[2][3]	Realized Value[4]	Unrealized Value[4]	Gross Internal Rate of Return[5]	Net Internal Rate of Return[6]	Management & Incentive Fees, Expenses
LLCP I	6	$98,560	$159,945	-	44.2%	18.7%	$32,535
LLCP II	12	$346,772	$497,128	-	10.5%	5.7%	$61,098
LLCP III	14	$470,356	$920,570	-	16.3%	9.8%	$143,536
LLCP IV	11	$834,654	$1,907,115	-	26.7%	17.4%	$316,442
LLCP V	11	$1,399,941	$4,280,948	$53,209	23.0%	17.0%	$763,685
LLCP VI	10	$2,288,257	$2,476,979	$2,722,605	20.0%	13.9%	$861,060
LLCP VII[7]	4	$832,244	$18,077	$1,088,528	60.8%	11.9%	$187,497
LMM I Fund	7	$149,705	$488,840	$706	35.2%[8]	25.1%[8]	$94,349
LMM II Fund	8	$449,361	$1,318,514	$7,663	33.4%	23.9%	$236,561
LLCP CV[7]	3	$439,767	$23,520	$542,888	26.9%	22.5%	$18,546
LMM III Fund	10	$1,151,387	$138,740	$1,653,079	27.1%	14.9%	$255,998

(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 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, 2025.

(5) 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.

(6) 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.

(7) The net internal rate of return (IRR) is computed based on the actual dates of the cash inflows (capital contributions), outflows (cash distributions), and the net assets at the end of the period (residual value) of the limited partners' capital balance.

(8) Internal Rate of Return for the LMM I Fund is based on fund level cash flows, not limited partner cash flows.

Adverse Conditions and Other Developments Affecting the Private Acquisition Funds

Certain of the Private Acquisition Funds have been affected from time to time by general economic conditions, capital market trends and other external factors during their respective operating periods. However, there have been no major adverse business developments or conditions experienced by any Private Acquisition Funds that would be material to investors, including as a result of recent general economic conditions. You should not rely on the past performance of investments by other LLCP-affiliated entities to predict our future results.

The table below sets forth summary information on the results of sales of companies from certain Private Acquisition Funds during the three year period ended December 31, 2025.[1]

		Year Ended December 31, 2025				
($ in thousands)	Operating Company	Industry	Date Acquired	Date of Sale	Investment Cost	Realized Value[2]
LLCP IV.	McKenzie Sports	Memorabilia & Décor	Mar 2012	Sept 2025	$146,453	$175,491
LLCP V	Smith System	Commercial Driver Training	Jun 2014	Nov 2023	$75,000	$241,004
LLCP V	Therapeutic Research Center	Medication Decision Support	Aug 2017	Nov 2023	$171,271	$479,871
LLCP V	GL Education	Education Services	May 2016	Mar 2023	$203,738	$489,301
LLCP VI	Law Business Research	Legal Research Publisher	Dec 2017	May 2024	$226,805	$410,120
LLCP VI	Tropical Smoothie Cafe	Fast Casual Cafe Franchisor	Sept 2020	Jun 2024	$246,234	$874,858
LLCP VI	Encore Fire Protection	Fire Safety Services	Jul 2021	Mar 2025	$221,919	$758,872
LMM II Fund . . .	Milton Industries	Industrial Tool Manufacturer	Nov 2019	Nov 2024	$63,554	$159,457
LMM II Fund . . .	Resolution Economics	Specialty Consulting Firm	Jan 2020	Nov 2024	$67,923	$140,871
LMM II Fund . . .	Blue Ridge	ESOP Administration	Mar 2020	Nov 2024	$52,465	$143,802

(1) The Private Acquisition 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) Realized value represents the combination of cumulative interest and dividend payments as well as net proceeds derived from the ultimate sale transaction. Realized Value 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.

Experts

The following supersedes and replaces the "Experts" section which appears on page 197 of the Prospectus.

The consolidated financial statements of CNL Strategic Capital, LLC appearing in CNL Strategic Capital, LLC's Annual Report (Form 10-K) for the year ended December 31, 2025, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Sill Holdings, LLC and subsidiaries incorporated into this prospectus as of December 31, 2025 and 2024 and for the years then ended have been audited by Plante Moran, PLLC, an independent registered public accounting firm, as set forth in their report, and have been so incorporated in reliance on such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Clarion Safety Holdings, LLC and subsidiaries incorporated into this prospectus as of and for each of the two years in the period ended December 31, 2025 have been audited by PKF O'Connor Davies, LLP, an independent registered public accounting firm, as set forth in their report, and have been so incorporated in reliance on such report given on the authority of such firm as experts in accounting and auditing.

Annual Report on Form 10-K for the Year Ended December 31, 2025

On March 26, 2026, we filed our Annual Report on Form 10-K for the year ended December 31, 2025 with the Securities and Exchange Commission. The Annual Report on Form 10-K (without exhibits) is attached to this supplement.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 000-56162

CNL STRATEGIC CAPITAL, LLC

(Exact name of registrant as specified in its charter)

Delaware	**32-0503849**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

CNL Center at City Commons
450 South Orange Avenue
Orlando, FL **32801**
(Address of principal executive offices) **(Zip Code)**

Registrant's telephone number, including area code (407) 650-1000

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of Each Class

Class A Shares of Limited Liability Company Interests, $0.001 par value per share
Class FA Shares of Limited Liability Company Interests, $0.001 par value per share
Class T Shares of Limited Liability Company Interests, $0.001 par value per share
Class D Shares of Limited Liability Company Interests, $0.001 par value per share
Class I Shares of Limited Liability Company Interests, $0.001 par value per share
Class S Shares of Limited Liability Company Interests, $0.001 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There is no established market for the Registrant's common shares. The Registrant is currently conducting an ongoing public offering of its common shares pursuant to a Registration Statement on Form S-1, which were offered and sold at $39.92, $38.30, $36.25 and $37.01 per Class A, Class T, Class D, and Class I shares as of June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter), respectively, with discounts available for certain categories of purchasers, or at a price necessary to ensure that shares are not sold at a price, net of sales load, below net asset value per share. The number of shares held by non-affiliates as of June 30, 2025 was 34,591,415.

As of March 19, 2026, the Company had 3,724,101 Class FA shares, 9,257,524 Class A shares, 2,024,165 Class T shares, 3,067,485 Class D shares, 17,145,343 Class I shares and 1,687,939 Class S shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain exhibits previously filed with the Securities and Exchange Commission are incorporated by reference into Part IV of this report.

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PART I

Statement Regarding Forward-Looking Information

Certain statements in this annual report on Form 10-K (this "Annual Report") constitute "forward-looking statements." Forward-looking statements are statements that do not relate strictly to historical or current facts, but reflect management's current understandings, intentions, beliefs, plans, expectations, assumptions and/or predictions regarding the future of our business and its performance, the economy and other future conditions and forecasts of future events and circumstances. Forward-looking statements are typically identified by words such as "believes," "expects," "anticipates," "intends," "estimates," "plans," "continues," "pro forma," "may," "will," "seeks," "should" and "could," and words and terms of similar substance, although not all forward-looking statements include these words. The forward-looking statements contained in this Annual Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our businesses and other assets;
- unanticipated costs, delays and other difficulties in executing our business strategy;
- performance of our businesses and other assets relative to our expectations and the impact on our actual return on invested equity, as well as the cash provided by these assets;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with the Manager, the Sub-Manager and their respective affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we target, including high interest rates, inflationary pressures, recessionary concerns or global supply chain issues;
- events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large depository institutions or other significant corporations, terrorist attacks, natural or man-made disasters, pandemics or threatened or actual armed conflicts;
- the use, adequacy and availability of proceeds from our current public offering ("Second Follow-On Public Offering"), financing sources, working capital or borrowed money to finance a portion of our business strategy and to service our outstanding indebtedness;
- the timing of cash flows, if any, from our businesses and other assets;
- the ability of the Manager and the Sub-Manager to locate suitable acquisition opportunities for us and to manage and operate our businesses and other assets;
- the ability of the Manager, the Sub-Manager and their respective affiliates to attract and retain highly talented professionals;
- the ability to operate our business efficiently, manage costs (including general and administrative expenses) effectively and generate cash flow;
- the lack of a public trading market for our limited liability company interests (our "shares");
- the ability to make and the amount and timing of anticipated future distributions;
- estimated net asset value per share of our shares;
- the loss of our exemption from the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act");
- fiscal policies or inaction at the U.S. federal government level, which may lead to federal government shutdowns or negative impacts on the U.S economy;
- the degree and nature of our competition; or
- the effect of changes to government regulations, accounting rules or tax legislation.

Our forward-looking statements are not guarantees of our future performance and shareholders are cautioned not to place undue reliance on any forward-looking statements. While we believe our forward-looking statements are reasonable, such statements are inherently susceptible to uncertainty and changes in circumstances. As with any projection or forecast, forward-looking statements are necessarily dependent on assumptions, data and/or methods that may be incorrect or imprecise, and may not be

realized. Our forward-looking statements are based on our current expectations and a variety of risks, uncertainties and other factors, many of which are beyond our ability to control or accurately predict.

Important factors that could cause our actual results to vary materially from those expressed or implied in our forward-looking statements include, but are not limited to, the factors listed and described under "Risk Factors" in the Company's prospectus filed with the SEC pursuant to Rule 424(b)(3) and dated April 7, 2025 (as supplemented to date, our "prospectus") and Item 1A. "Risk Factors" of this Annual Report.

All written and oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by these cautionary statements. Forward-looking statements speak only as of the date on which they are made; we undertake no obligation to, and expressly disclaim any obligation to, update or revise forward-looking statements to reflect new information, changed assumptions, the occurrence of subsequent events, or changes to future operating results over time unless otherwise required by law.

Risk Factor Summary

An investment in our shares involves a high degree of risk. You should carefully consider the risks summarized in Item 1A. "Risk Factors" included in this report. These risks include, but are not limited to, the following:

- We may be unable to successfully implement our business and acquisition strategies or generate sufficient cash flow to make distributions to our shareholders.
- Our success will be dependent on the performance of the Manager and the Sub-Manager, but investors should not rely on the past performance of the Manager, the Sub-Manager and their respective affiliates as an indication of future success. Prior to the Initial Public Offering (defined below), affiliates of CNL have only sponsored real estate and credit investment programs.
- We pay 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.
- Investors will not have the opportunity to evaluate the assets we acquire before we make them, which makes an investment in us more speculative. We face risks with respect to the evaluation and management of future acquisitions.
- The shares will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Therefore, investors will have limited liquidity and may not receive a full return of their invested capital if investors sell their shares.
- The purchase price for the shares in the Second Follow-On Public Offering is based on our most recently determined net asset value and is not based on any public trading market. While our board of directors has engaged an independent valuation firm to assist with the valuation of our businesses, the valuation of our assets is inherently subjective, and our net asset value may not accurately reflect the actual price at which our assets could be liquidated on any given day.
- The amount of any distributions we may pay is uncertain. We may not be able to pay distributions and our distributions may not grow over time. We may pay distributions from any source, including from cash resulting from expense support and fee deferrals and/or waivers from the Manager and the Sub-Manager as needed, and there are no limits on the amount of offering proceeds we may use to fund distributions. If we pay distributions from sources other than cash flow from operations, we will have less funds available for investments, and your overall return may be reduced. We believe the likelihood that we will pay distributions from sources other than cash flow from operations will be higher in the early stages of the Second Follow-On Public Offering.
- The Manager, the Sub-Manager and their respective affiliates, including our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders.
- If we were to become taxable as a corporation for U.S. federal income tax purposes, we would be required to pay income tax at corporate rates on our net income and would reduce the amount of cash available for distribution to our shareholders. Such distributions, if any, by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits.
- Our board of directors may change our business and acquisition policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to you.

Item 1. Business

General

CNL Strategic Capital, LLC (which is referred to in this report as "we," "our," "us," "our company" or the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We commenced operations on February 7, 2018.

We are externally managed by CNL Strategic Capital Management, LLC (the "Manager"), an entity that is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Manager is controlled by CNL Financial Group, LLC (the "Sponsor"), a private investment management firm specializing in alternative investment products. We have engaged the Manager under a management agreement, as currently amended and as may be amended in the future (the "Management Agreement") pursuant to which the Manager is responsible for the overall management of our activities. The Manager has engaged Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"), a registered investment adviser, under a sub-management agreement, as currently amended and as may be amended in the future (the "Sub-Management Agreement"), pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC. The Manager also provides us with certain administrative services (in such capacity, the "Administrator") under an administrative services agreement, as currently amended and as may be amended in the future (the "Administrative Services Agreement"), with us. The Sub-Manager also provides certain other administrative services to us (in such capacity, the "Sub-Administrator") under a sub-administration agreement, as currently amended and as may be amended in the future (the "Sub-Administration Agreement"), with the Manager.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

We refer to the strategy of owning both the debt and equity of our target private companies as a "private capital" strategy. We intend to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. Our business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. We seek to structure our investments with limited, if any, third-party senior leverage.

We intend for a significant majority of our total assets to be comprised of long-term controlling equity interests and debt positions in the businesses we acquire. In addition and to a lesser extent, we may acquire other debt and minority equity positions. We intend to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. We may also acquire minority equity interests in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. We expect that these positions will comprise a minority of our total assets.

Our target businesses are expected to fall within the following industries (without limitation): business services, consumer products, education, franchising, light manufacturing / specialty engineering, non-FDA regulated healthcare and safety companies. We do not intend to acquire businesses in industries that we believe are not stable or predictable, including oil and gas, commodities, high technology, internet and e-commerce. We also do not intend to acquire businesses that at the time of our acquisition are distressed or in the midst of a turnaround.

We intend to operate these businesses over a long-term basis with minimum holding period of four to six years. Actual holding periods for many of our businesses are expected to exceed this minimum holding period, but each business will be acquired with the expectation of an eventual exit transaction after a reasonable time frame to allow for the realization of shareholder appreciation. In limited circumstances in order to manage liquidity needs, meet other operating objectives or adapt to changing market conditions, we may also exit businesses prior to the expected minimum holding period. Exit decisions in relation to our businesses after the expiration of the minimum holding period will be made with the objective of maximizing shareholder value and allowing us to realize capital appreciation to the extent available from individual businesses. We will also assess the impact that any exit decision may have on our exclusion from registration as an investment company under the Investment Company Act. Potential exit transactions that we may pursue for our businesses include recapitalizations, public offerings, asset sales,

mergers and other business combinations. In each case, in selecting the form of exit transaction we expect to assess prevailing market conditions, the timing and cost of implementation, whether we will be required to assume any post-transaction liabilities and other factors determined by the Manager and the Sub-Manager. No assurance can be given relating to the actual timing or impact of any exit transaction on our business.

We were formed as a Delaware limited liability company on August 9, 2016 and we intend to operate our business in a manner that will permit us to avoid registration under the Investment Company Act.

In November and December of 2025, the audit committee of our board of directors conducted an assessment of enhanced liquidity options for shareholders (the "enhanced liquidity option assessment") with the assistance of the Manager, the Sub-Manager and a financial advisor. As a result of the enhanced liquidity option assessment, our audit committee concluded that continuing our company as a perpetual life vehicle where shareholders can access liquidity through the existing share repurchase program was in the best interests of our company and its shareholders. At the same time, our audit committee recognized that shareholders may desire greater liquidity than what is currently provided for under the share repurchase program in light of this decision. Therefore, our audit committee recommended to our board of directors that it approve and submit the enhanced liquidity plan (as further described in the proxy statement filed with the SEC on January 29, 2026) to shareholders for consideration at a special meeting of shareholders to be held on March 30, 2026. However, there can be no assurance that the enhanced liquidity plan is approved by our shareholders.

Continuing our company as a perpetual life vehicle was contemplated at the time of our formation. Our board of directors' determination to continue our company as a perpetual life vehicle reflects a pursuit of this longer-term strategy, which will also provide us with the option to continue raising capital beyond the expiration of our current continuous public offering on November 1, 2027. The Manager and the Sub-Manager believe that this longer-term horizon will provide an opportunity to continue to add value to our current businesses and to invest in new businesses to support their potential long-term growth, allowing for greater portfolio diversification across various market cycles. Other than the enhanced liquidity plan, there are no changes or limitations currently contemplated for our objectives or strategy.

Our Common Shares Offerings

Public Offerings

We commenced our initial public offering of up to $1.1 billion of shares on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, we commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Follow-On Registration Statement").

On November 1, 2024, we commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering" and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Second Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"). Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated. Through the Second Follow-On Public Offering, we are offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, "Non-founder shares"). There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan).

As of March 19, 2026, we had raised aggregate gross offering proceeds of approximately $1.2 billion from the sale of common shares in the Public Offerings, including $72.0 million received through our distribution reinvestment plan.

Private Offerings

During the period from commencement of operations on February 7, 2018 to December 31, 2020, we offered Class FA ("Class FA") and Class S ("Class S") shares (collectively, the "Founder shares") through a combination of four private offerings (the

"Private Offerings" and, together with the Public Offerings, the "Offerings") only to persons that were "accredited investors," as that person is defined under the Securities Act and Regulation D promulgated under the Securities Act, and raised aggregate gross offering proceeds of approximately $177 million. We conducted each of the Private Offerings pursuant to the applicable exemption under Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D promulgated under the Securities Act. All of the Private Offerings were terminated on or before December 31, 2020. See our Form 10-K for the year ended December 31, 2020 for additional information related to our Private Offerings.

Since we commenced operations on February 7, 2018 and through March 19, 2026, we have raised total net offering proceeds (including amounts raised from our Private Offerings and Public Offerings) of approximately $1.3 billion, including approximately $72.0 million received through our distribution reinvestment plan. For additional information on our Offerings, see Note 7. "Capital Transactions" in Item 8. "Financial Statements and Supplementary Data."

Portfolio and Investment Activity

Since we commenced operations in February 2018, we have acquired controlling equity interests in combination with debt positions in 12 middle-market U.S. businesses and disposed of one middle-market U.S. business. We have also acquired non-controlling equity interests in combination with debt positions in seven additional U.S. and Global middle-market businesses.

As of December 31, 2025 and 2024, our portfolio company investments had a total fair value of $1.4 billion (18 portfolio companies) and $1.1 billion (16 portfolio companies), respectively. Our portfolio company investments were diversified across twelve industries and all but two of our debt investments featured fixed interest rates as of December 31, 2025. See Item 7. "Management's Discussion and Analysis – Portfolio and Investment Activity" and Note 3. "Investments" in Item 8. "Financial Statements and Supplementary Data" for additional information related to our investment portfolio.

Two of our portfolio companies exceeded 20% significance under Rule 3-09 for the year ended December 31, 2025. One of our portfolio companies exceeded 20% significance under Rule 3-09 for the year ended December 31, 2024. See Item 15. "Exhibits and Financial Statement Schedules" for financial statements of our significant portfolio company, as defined by Rule 3-09.

Our portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations which would impact our ability to make distributions to shareholders.

Borrowings

As of December 31, 2025, we had the ability to borrow up to $50.0 million under a line of credit with the ability to increase the maximum commitment by an additional $50.0 million at the lender's discretion. We borrowed and repaid $30.0 million during the year ended December 31, 2025 and no amounts under the line of credit were outstanding as of December 31, 2025. See Note 8. "Borrowings" in Item 8. "Financial Statements and Supplementary Data" for additional information related to our borrowings.

We will not use leverage in excess of 35% of our gross assets (for which calculation borrowings of our businesses are not included) unless a majority of our independent directors approves any excess above such limit and determines that such borrowing is in the best interests of our company. Any excess in leverage over such 35% limit shall be disclosed to shareholders in our next quarterly or annual report, along with the reason for such excess. In any event, we expect that the amount of our aggregate borrowings will be reasonable in relation to the value of our assets and will be reviewed by our board of directors at least quarterly.

Financing a portion of the acquisition price of our assets will allow us to broaden our business by increasing the funds available for acquisition. Financing a portion of our acquisitions is not free from risk. Using borrowings requires us to pay interest and principal, referred to as "debt service," all of which decrease the amount of cash available for distribution to our shareholders or other purposes. We may also be unable to refinance the borrowings at maturity on favorable or equivalent terms, if at all, exposing us to the potential risk of loss with respect to assets pledged as collateral for loans. Certain of our borrowings may be floating rate and the effective interest rates on such borrowings will increase when the relevant interest benchmark increases.

Competition

We compete for acquisitions with strategic buyers, private equity funds and diversified holding companies. Additionally, we may compete for loans with traditional financial services companies such as commercial banks. Certain competitors are substantially

larger and have greater financial, technical and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us, and others may have higher risk tolerances or different risk assessments.

However, we believe we provide a unique capital solution to sellers and operating management teams that is not widely available in the market, if at all. We believe we are able to be competitive with these entities primarily due to our focus on established middle-market U.S. companies, the ability of the Manager and the Sub-Manager to source proprietary transactions, and our unique business strategy that offers business owners a flexible capital structure and is a more attractive alternative when they require investment capital to meet their ongoing business needs. Further, we believe regulatory changes, including the adoption of the Dodd-Frank Act and the introduction of the international capital and liquidity requirements under the Basel III Accords ("Basel III") have caused some of our potential competitors to curtail their lending to middle-market U.S. companies as a result of the greater regulatory risk and expense involved in lending to the sector.

Human Capital Resources

We are externally managed and as such we do not have any employees. All of our executive officers are employees of the Manager or one or more of its affiliates. The Manager has reported to us that it generally strives to have a diverse group of candidates to consider for roles. In addition, the Manager has reported that it maintains a variety of development, health and wellness and charitable programs for its personnel, including those who provide services to us.

Tax Status

We believe that we are properly characterized as a partnership for U.S. federal income tax purposes and expect to continue to qualify as a partnership, and not be treated as a publicly traded partnership or otherwise be treated as a taxable corporation, for such purposes. As a partnership, we are generally not subject to U.S. federal and state income tax at the entity level. However, the Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain investments. The income tax expense, or benefit, and related tax assets and liabilities are reflected in the Company's consolidated financial statements.

Corporate Information

Our executive offices are located at 450 South Orange Avenue, Orlando, Florida 32801, and our telephone number is 407-650-1000.

Available Information

We maintain a web site at www.cnlstrategiccapital.com containing additional information about our business, and a link to the SEC web site (www.sec.gov). We make available free of charge on our web site our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practical after we file such material with, or furnish it to, the SEC. The contents of our website are not incorporated by reference in or are otherwise a part of this Annual Report. The SEC also maintains a web site (www.sec.gov) where you can search for annual, quarterly and current reports, proxy and information statements, and other information regarding us and other public companies.

Item 1A. Risk Factors

Investing in our shares involves a number of significant risks. In addition to the other information contained in this Annual Report, investors should consider carefully the following information before making an investment in our shares. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the value of our shares could decline, and investors may lose part or all of their investment.

Risks Related to Our Shares

The offering prices may change on a monthly basis and investors may not know the offering price when they submit their subscription agreements.

The offering prices for our classes of shares may change on a monthly basis and investors will need to determine the price by checking our website at www.cnlstrategiccapital.com or reading a supplement to our prospectus. A subscriber may also obtain our current offering price by calling us by telephone at (866) 650-0650. In addition, if there are issues processing an investor's subscription, the offering price may change prior to the acceptance of such subscription. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance.

Investors will not have the opportunity to evaluate the assets we acquire before we make them, which makes an investment in us more speculative.

We are not able to provide investors with information to evaluate the economic merit of the acquisitions we intend to make prior to our making them and investors will be relying entirely on the ability of the Manager, the Sub-Manager and our board of directors to select or approve, as the case may be, such acquisitions. Future opportunities may include the acquisition of businesses that are currently owned and/or controlled by the Sub-Manager or its affiliates. In connection with any acquisition of a business that involves the Sub-Manager or its affiliates (excluding co-investment opportunities acquired directly from third parties other than the Sub-Manager or its affiliates), we would seek a valuation from a third-party valuation firm, and such acquisition would be subject to approval of a majority of our independent directors.

Additionally, the Manager and the Sub-Manager, subject to oversight by our board of directors, have broad discretion to review, approve, and oversee our business and acquisition policies, to evaluate our acquisition opportunities and to structure the terms of such acquisitions and investors will not be able to evaluate the transaction terms or other financial or operational data concerning such acquisitions. Because of these factors, the Second Follow-On Public Offering may entail more risk than other types of offerings. Our board of directors has also delegated broad discretion to both of the Manager and Sub-Manager to implement our business and acquisitions strategies, which includes delegation of the duty to approve certain decisions consistent with the business and acquisition policies approved by our board of directors, our board of directors' fiduciary duties and securities laws. This additional risk may hinder investors' ability to achieve their own personal investment objectives related to portfolio diversification, risk-adjusted returns and other objectives.

The Second Follow-On Public Offering is a "best efforts" offering and if we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make, and the value of an investment in us will fluctuate with the performance of the assets we acquire.

The Second Follow-On Public Offering is a "best efforts," as opposed to a "firm commitment" offering. This means that the Managing Dealer is not obligated to purchase any shares, but has only agreed to use its "best efforts" to sell the shares to investors. As a result, if we are unable to raise substantial funds, we will make fewer acquisitions resulting in less diversification in terms of the number of assets owned and the types of assets that we acquire.

Participating broker-dealers in the Second Follow-On Public Offering are required to comply with Regulation Best Interest, which enhances the broker-dealer standard of conduct beyond current suitability obligations and requires participating broker-dealers in the Second Follow-On Public Offering to act in the best interest of each investor when making a recommendation to purchase shares in the Second Follow-On Public Offering, without placing their financial or other interest ahead of the investor's interests. The application of this enhanced standard of conduct may impact whether a broker-dealer recommends our shares for investment and consequently may adversely affect our ability to raise substantial funds in the Second Follow-On Public Offering. In particular, under SEC guidance concerning Regulation Best Interest, a broker-dealer recommending an investment in our shares should consider a number of factors under the duty of care obligation of Regulation Best Interest, including but not limited to cost and complexity of the investment and reasonably available alternatives, which alternatives are likely to exist, may be less costly or have a lower investment risk, in determining whether there is a reasonable basis for the recommendation. As a result,

high cost, high risk and complex products may be subject to greater scrutiny by broker-dealers. Broker-dealers may recommend a more costly or complex product as long as they have a reasonable basis to believe it is in the best interest of a particular retail customer. However, if broker-dealers choose alternatives to our shares, many of which likely exist, such as an investment in listed entities, which may be a reasonable alternative to an investment in us as such investments may feature characteristics like lower cost, nominal commissions at the time of initial purchase, less complexity and lesser or different risks, our ability to raise capital will be adversely affected. If Regulation Best Interest reduces our ability to raise capital in the Second Follow-On Public Offering, it would also harm our ability to create a diversified portfolio of investments and ability to achieve our objectives.

In such event, the likelihood of our profitability being affected by the performance of any one of our assets will increase. An investment in our shares will be subject to greater risk to the extent that we lack asset diversification. In addition, our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, and our financial condition and ability to pay distributions could be adversely affected.

Investors should not assume that we will sell the maximum offering amount of the Second Follow-On Public Offering, or any other particular offering amount in the Second Follow-On Public Offering.

The shares will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Therefore, investors in the shares will have limited liquidity and may not receive a full return of their invested capital if investors sell their shares.

The shares offered by us are illiquid assets for which there is not expected to be any secondary market nor is it expected that any will develop in the future. The ability to transfer shares is limited. Pursuant to our seventh amended and restated limited liability company agreement, as currently amended and as may be amended in the future (our "LLC Agreement"), we have the discretion under certain circumstances to prohibit transfers of shares, or to refuse to consent to the admission of a transferee as a shareholder. We have adopted a share repurchase program to conduct quarterly share repurchases but only a limited number of shares are eligible for repurchase. Moreover, investors should not rely on our share repurchase program as a method to sell shares promptly because our share repurchase program includes numerous restrictions that limit their ability to sell their shares to us, and our board of directors may amend or suspend our share repurchase program upon 30 days' prior notice to our shareholders if in its reasonable judgment it deems such action to be in our best interest and the best interest of our shareholders, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes. Upon suspension of our share repurchase program, our share repurchase program requires our board of directors to consider at least quarterly whether the continued suspension of the plan is in our best interest and the best interest of our shareholders; however, we are not required to authorize the recommencement of the share repurchase program within any specified period of time. Our board of directors cannot terminate our share repurchase program absent a liquidity event or where otherwise required by law. In such an event, we will notify our shareholders of such developments in a current report on Form 8-K or in our annual or quarterly reports, which will be posted on our website, and will also provide a separate communication to our shareholders.

At the discretion of our board of directors, we may use cash on hand, including offering proceeds, cash available from borrowings, and cash from the sale of assets as of the end of the applicable period to repurchase shares. Our share repurchase program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The timing, amount and terms of our share repurchase program will include certain restrictions intended to maintain our ability to qualify as a partnership for U.S. federal income tax purposes. Therefore, it will be difficult for investors to sell their shares promptly or at all. If investors are able to sell their shares, investors may only be able to sell them at a substantial discount for the price they paid. Investor suitability standards imposed by certain states may also make it more difficult to sell their shares to someone in those states. The shares should be purchased as a long-term investment only.

Under our share repurchase program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, during any consecutive two-year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, which may adversely affect our flexibility and our ability to achieve

our investment objectives.

If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under our share repurchase program) until all outstanding repurchase requests ("Unfulfilled Repurchase Requests") have been satisfied. Additionally, during such time as there remains any requests under our share repurchase plan outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. If triggered, this requirement may prevent us from pursuing potentially accretive investment opportunities and may keep us from fully realizing our investment objectives. In addition, this requirement may limit our ability to pay distributions to our shareholders. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

The ongoing offering price may not accurately reflect the value of our assets.

Our board of directors determines our net asset value for each class of our shares on a monthly basis. If our net asset value per share on such valuation date increases above or decreases below our net proceeds per share as stated in our prospectus, we will adjust the offering price of any of the classes of our shares, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share on such valuation date. Ongoing offering prices for the shares in the Second Follow-On Public Offering will take into consideration other factors such as selling commissions, dealer manager fees, distribution and shareholder servicing fees and organization and offering expenses so the offering price will not be the equivalent of the value of our assets.

Valuations and appraisals of our assets are estimates of fair value and may not necessarily correspond to realizable value.

Our board of directors, with assistance from the Manager and the Sub-Manager, is ultimately responsible for determining in good faith the fair value of our assets for which market prices are not readily available. Our board of directors, including a majority of our independent directors and our audit committee, has adopted a valuation policy that provides for methodologies to be used to determine the fair value of our assets for purposes of our net asset value calculation. Our board of directors makes this determination on a monthly basis, and any other time when a decision is required regarding the fair value of our assets. Our board of directors has retained an independent valuation firm to assist the Manager and the Sub-Manager in preparing their recommendations with respect to our board of directors' determination of the fair values of assets for which market prices are not readily available. However, it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of assets or liabilities between valuations, or to obtain quickly complete information regarding any such events. As a result, the net asset value per share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our net asset value may be appropriately adjusted in accordance with our valuation procedures.

Within the parameters of our valuation procedures, the valuation methodologies used to value our assets involves subjective judgments and projections and may not be accurate. Valuation methodologies also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations of our assets are only estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Manager, the Sub-Manager and the independent valuation firm. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the

valuation. The determinations of fair value by our board of directors may differ materially from the values that would have been used if an active market and market prices existed for these assets. Furthermore, through the valuation process, our board of directors may determine that the fair value of our assets that differs materially from the values that were provided by the independent valuation firm. There will be no retroactive adjustment in the valuation of such assets, the offering price of our shares, the price we paid to repurchase shares or net asset value-based fees we paid to the Manager, the Sub-Manager or the Managing Dealer to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price investors will pay for our shares in the Second Follow-On Public Offering, and the price at which their shares may be repurchased by us pursuant to our share repurchase program are generally based on our most recently determined net asset value per share, they may pay more than realizable value or receive less than realizable value for their investment.

Our net asset value per share may change materially if the valuations of our assets materially change from prior valuations or the actual operating results for a particular month differ from what we originally budgeted for that month.

When the valuations of our assets are reflected in our net asset value calculations, there may be a material change in our net asset value per share for each class of our shares from those previously reported. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the net asset value per share. We will not retroactively adjust the net asset value per share of each class of shares reported for the previous month. Therefore, because a new monthly valuation may differ materially from the prior valuation or the actual results from operations may be better or worse than what we previously budgeted, the adjustment to reflect the new valuation or actual operating results may cause the net asset value per share for each class of our shares to increase or decrease, and such increase or decrease will occur on the day the adjustment is made.

The amount of any distributions we may pay is uncertain. We may not be able to pay investors distributions and our distributions may not grow over time.

Subject to our board of directors' discretion and applicable legal restrictions, our board of directors has declared, and intends to continue to declare cash distributions to shareholders. We intend to pay these distributions to our shareholders out of assets legally available for distribution. We cannot assure investors that we will achieve operating results that will allow us to make a targeted level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of the risks described in this Annual Report. All distributions will be paid at the discretion of our board of directors and will depend on our earnings, our financial condition, compliance with applicable regulations and such other factors as our board of directors may deem relevant from time to time. We cannot assure investors that we will pay distributions to our shareholders in the future.

We may pay all or a substantial portion of our distributions from various sources of funds available to us, including from expense support from the Manager and the Sub-Manager, borrowings, the offering proceeds and other sources, without limitation. We may pay some of our distributions from offering proceeds, borrowings, or from other sources, including cash resulting from expense support from the Manager and the Sub-Manager pursuant to an expense support and conditional reimbursement agreement (the "Expense Support and Conditional Reimbursement Agreement"). For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. The company will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. If we fund distributions from financings, then such financings will need to be repaid, and if we fund distributions from offering proceeds, then we will have fewer funds available for business opportunities, which may affect our ability to generate future cash flows from operations and, therefore, reduce their overall return. In addition, if we fund distributions from borrowings, or other sources like expense support from the Manager and Sub-Manager, such sources may result in a liability to us which would cause our net asset value to decline more sharply than it otherwise would if we had not borrowed or used expense support to fund our distributions, which would negatively affect the price per share of our shares. We cannot predict when distribution payments sourced from debt and from proceeds will occur, and an extended period of such payments would likely be unsustainable.

Because the Managing Dealer is an affiliate of the Manager, investors will not have the benefit of an independent review of the Second Follow-On Public Offering or us customarily performed in underwritten offerings.

The Managing Dealer, CNL Securities Corp., is an affiliate of the Manager, and will not make an independent review of us or the Second Follow-On Public Offering. Accordingly, investors will have to rely on their own broker-dealer or distribution intermediary to make an independent review of the terms of the Second Follow-On Public Offering. If an investor's broker-dealer or distribution intermediary does not conduct such a review, they will not have the benefit of an independent review of the terms of the Second Follow-On Public Offering. Further, the due diligence investigation of us by the Managing Dealer cannot be considered to be an independent review and, therefore, may not be as meaningful as a review conducted by an unaffiliated broker-dealer or investment banker. In addition, we do not, and do not expect to, have research analysts reviewing our performance or our securities on an ongoing basis. Therefore, investors will not have an independent review of our performance and the value of our shares relative to publicly traded companies.

We may be unable to use a significant portion of the net proceeds of the Second Follow-On Public Offering on acceptable terms in the timeframe contemplated by the prospectus relating to the Second Follow-On Public Offering.

Delays in using the net proceeds of the Second Follow-On Public Offering may impair our performance. We cannot assure an investor that we will be able to identify any acquisition opportunities in a manner consistent with our business strategy or that any acquisition that we make will produce a positive return. We may be unable to use the net proceeds of the Second Follow-On Public Offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

Before we have raised sufficient funds to deploy the proceeds of the Second Follow-On Public Offering in acquisitions that are consistent with our business strategy, we will deploy the net proceeds of the Second Follow-On Public Offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements, certain leveraged loans and high-quality debt instruments maturing in one year or less from the time of acquisition, which may produce returns that are significantly lower than the returns which we expect to achieve in relation to the businesses and other assets we will seek to acquire. At times, cash invested in these temporary investments may be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. In the event we are unable to find suitable investments, such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash net investment income. In the event we fail to timely invest the net proceeds of the Second Follow-On Public Offering, our results of operations and financial condition may be adversely affected.

Investors' interest in us will be diluted if we issue additional shares, which could reduce the overall value of the investment.

Potential investors do not have preemptive rights to any shares we issue in the future. Our LLC Agreement authorizes us to issue 1,000,000,000 shares. Pursuant to our LLC Agreement, a majority of our entire board of directors may amend our LLC Agreement from time to time to increase or decrease the aggregate number of authorized shares or the number of authorized shares of any class or series without shareholder approval. After an investor's purchase of our shares, our board of directors may elect to sell additional shares in this or future public offerings, issue equity interests in private offerings or issue share-based awards to our independent directors, the Manager, the Sub-Manager and/or employees of the Manager or the Sub-Manager. To the extent we issue additional equity interests after an investor's purchase of our shares, their percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our assets, an investor may also experience dilution in the net asset value and fair value of their shares.

Investors will experience substantial dilution in the net tangible book value of their shares equal to the offering costs and sales load associated with their shares and will encounter substantial on-going fees and expenses.

If investors purchase our shares in the Second Follow-On Public Offering, there are substantial fees and expenses which will be borne by the investor initially and ongoing as an investor. Also, investors will incur immediate dilution in the net tangible book value of their shares equal to the offering costs and the sales load associated with their shares. There are also certain offering costs associated with the shares in the Second Follow-On Public Offering, which will be reimbursed to the Manager and the Sub-Manager. This means that the investors who purchase shares will pay a price per share that substantially exceeds the per share

value of our assets after subtracting our liabilities.

Our business could be adversely affected if we fail to maintain our qualification as a venture capital operating company, or VCOC, under the Plan Asset Regulation.

We currently operate our business in a manner so that it is intended to qualify as a "venture capital operating company" ("VCOC") under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (the "Plan Asset Regulation"), and therefore are not subject to the fiduciary requirements with respect to our assets. However, if we fail to satisfy the requirements to qualify as a VCOC for any reason and no other exception under the Plan Asset Regulation applies, such failure could materially interfere with our activities or expose us to risks related to our failure to comply with the requirements and the fiduciary responsibility standards of ERISA would apply to us, including the requirement of investment prudence and diversification, and certain transactions that we enter into, or may have entered into, in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). A non-exempt prohibited transaction, in addition to imposing potential fiduciary liabilities may also result in the imposition of an excise tax under the Code upon a "party in interest" (as defined in Section 3(14) of ERISA) or "disqualified person" (as defined in Section 4975 of the Code) with whom we engaged in the transaction. Therefore, our business could be adversely affected if we fail to quality as a VCOC under the Plan Asset Regulation.

Risks Related to Our Organization and Structure

We may be unable to successfully implement our business and acquisition strategies or generate sufficient cash flow to make distributions to our shareholders.

We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will be unable to implement and execute our business strategy as described in our prospectus and that the value of our shares could decline substantially and, as a result, investors may lose part or all of their investment. Our financial condition and results of operations will depend on many factors including the availability of acquisition opportunities, readily accessible short and long-term financing, financial markets and economic conditions generally and the performance of the Manager and the Sub-Manager. There can be no assurance that we will be able to generate sufficient cash flow over time to pay our operating expenses and make distributions to shareholders.

Our ability to implement and execute our business strategy depends on the Manager's and the Sub-Manager's ability to manage and support our business operations. If the Manager or the Sub-Manager were to lose any members of their respective senior management teams, our ability to implement and execute our business strategy could be significantly harmed.

We have no internal management capacity or employees other than our appointed executive officers and will be dependent on the diligence, skill and network of business contacts of the Manager's and the Sub-Manager's senior management teams to implement and execute our business strategy. We also depend, to a significant extent, on the Manager's and the Sub-Manager's access to its investment professionals and the information and deal flow generated by these professionals. The Manager's and the Sub-Manager's senior management teams will evaluate, negotiate, structure, close, and monitor the assets we acquire. The departure of any of the Manager's or the Sub-Manager's senior management teams could have a material adverse effect on our ability to implement and execute our business strategy. We do not anticipate maintaining any key person insurance on any of the Manager's or the Sub-Manager's senior management teams.

Our board of directors may change our business and acquisition policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to investors.

Our board of directors has the authority to modify or waive our current business and acquisition policies, criteria and strategies without prior notice and without shareholder approval. In such event, we will promptly file a prospectus supplement and a current report on Form 8-K, disclosing any such modification or waiver. We cannot predict the effect any changes to our current business and acquisition policies, criteria and strategies would have on our business, operating results and value of our shares. However, the effects might be adverse, which could negatively impact our ability to pay investors distributions and cause investors to lose

all or part of their investment. Moreover, we will have significant flexibility in deploying the net proceeds of the Second Follow-On Public Offering and may use the net proceeds from the Second Follow-On Public Offering in ways with which investors may not agree or for purposes other than those contemplated at the time of the Second Follow-On Public Offering.

If we internalize our management functions, investors' interest in us could be diluted, and we could incur other significant costs and face other significant risks associated with being self-managed.

Our board of directors may decide in the future to internalize our management functions. If we do so, we may elect to negotiate to acquire the Manager's or the Sub-Manager's assets and personnel. At this time, we cannot anticipate the form or amount of consideration or other terms relating to any such internalization transaction. Such consideration could take many forms, including cash payments, promissory notes and shares. The payment of such consideration could result in dilution of an investor's interests as a shareholder and could reduce the earnings per share attributable to their investment.

In addition, while we would no longer bear the costs of the various fees and expenses we expect to pay to the Manager under the Management Agreement (50% of which is paid to the Sub-Manager under the Sub-Management Agreement), we would incur the compensation and benefits as well as the costs of our officers and other employees and consultants that we now expect will be paid by the Manager, the Sub-Manager or their respective affiliates. In addition, we may issue equity awards to officers and consultants, which awards would decrease net income and may further dilute an investor's investment. We cannot reasonably estimate the amount of fees we would save or the costs we would incur if we became self-managed. If the expenses we assume as a result of internalization are higher than the expenses we avoid paying to the Manager and the Sub-Manager, our earnings per share would be lower as a result of the internalization than they otherwise would have been, potentially decreasing the amount of funds available to distribute to our shareholders and the value of our shares. As currently organized, we do not expect to have any employees. If we elect to internalize our operations, we would employ personnel and would be subject to potential liabilities commonly faced by employers, such as workers disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances.

If we internalize our management functions, we could have difficulty integrating these functions as a stand-alone entity. In addition, we could have difficulty retaining such personnel employed by us. We expect individuals employed by the Manager and the Sub-Manager to perform asset management and general and administrative functions, including accounting and financial reporting for us. These personnel have a great deal of know-how and experience. We may fail to properly identify the appropriate mix of personnel and capital needs to operate as a stand-alone entity. An inability to manage an internalization transaction effectively could result in our incurring excess costs and/or suffering deficiencies in our disclosure controls and procedures or our internal control over financial reporting. Such deficiencies could cause us to incur additional costs, and our management's attention could be diverted from most effectively managing our assets.

In some cases, internalization transactions involving the acquisition of a manager have resulted in litigation. If we were to become involved in such litigation in connection with an internalization of our management functions, we could be forced to spend significant amounts of money defending ourselves in such litigation, regardless of the merit of the claims against us, which would reduce the amount of funds available to acquire additional assets or make distributions to our shareholders.

Anti-takeover provisions in our LLC Agreement could inhibit a change in control.

Provisions in our LLC Agreement may make it more difficult and expensive for a third party to acquire control of us, even if a change of control would be beneficial to our shares. Under our LLC Agreement, our shares have only limited voting rights on matters affecting our business and therefore have limited ability to influence management's decisions regarding our business. In addition, our LLC Agreement contains a number of provisions that could make it more difficult for a third party to acquire, or may discourage a third party from acquiring control of the company. These provisions include:

- restrictions on our ability to enter into certain transactions with major holders of our shares modeled on the limitation contained in Section 203 of the Delaware General Corporation Law, or the DGCL;
- establishing a board of directors divided into three classes – Class I, Class II and Class III – serving staggered three-year terms, such that not all members of the board of directors will be elected at one time, making it more difficult for shareholders to change the composition of our board of directors;
- allowing only the company's board of directors to fill vacancies, including newly created directorships;

- requiring that directors may be removed, with or without cause, only by a vote of a majority of the issued and outstanding shares;
- requiring advance notice for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by holders of our shares at a meeting of shareholders;
- permitting each of the Manager and Sub-Manager, respectively, to initially appoint a non-independent director and, thereafter, to nominate such non-independent director's replacement upon such non-independent director's failure to stand for re-election, resignation, removal from office, death or incapacity;
- our ability to issue additional securities, including securities that may have preferences or are otherwise senior in priority to our shares; and
- limitations on the ability of our shareholders to call special meetings of the shareholders.

We may have conflicts of interest with the noncontrolling shareholders of our businesses.

The boards of directors of the businesses we acquire controlling interests in will have fiduciary duties to all their shareholders, including the company and noncontrolling shareholders. As a result, they may make decisions that are in the best interests of their shareholders generally but which are not necessarily in the best interest of the company or our shareholders. In dealings with the company, the directors of these businesses may have conflicts of interest and decisions may have to be made without the participation of directors appointed by us, and such decisions may be different from those that we would make.

An investor's investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We are organized as a holding company that conducts its business primarily through its wholly- and majority-owned subsidiaries. We conduct and intend to continue to conduct our operations so that the company and each of its subsidiaries do not fall within, or are excluded from the definition of an "investment company" under the Investment Company Act. Under Section 3(a)(1)(A) of the Investment Company Act, a company is deemed to be an "investment company" if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. We believe that we are not to be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because we do not and will not engage primarily or hold ourselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we have and continue to intend to acquire stable and growing middle-market U.S. businesses with a focus on business services, consumer products, education, franchising, light manufacturing / specialty engineering, non-FDA regulated healthcare and safety companies. In addition, through the Manager and the Sub-Manager, we have been and intend to continue to be engaged with the acquired businesses in several areas, including (i) strategic direction and planning, (ii) supporting add-on acquisitions and introducing senior management to new business contacts, (iii) balance sheet management, (iv) capital markets strategies, and (v) optimization of working capital. We monitor the critical success factors of our acquired businesses on a daily/weekly basis and meet monthly with senior management of the companies we acquire in an operating committee environment to discuss their respective strategic, financial and operating performance. As a consequence, we primarily engage and hold ourselves out as being primarily engaged in the non-investment company businesses of these companies, which are or will become our wholly- or majority-owned subsidiaries.

Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an "investment company" if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the "40% test." Excluded from the term "investment securities," among other instruments, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exceptions under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We conduct operations, and intend to continue to conduct our operations, so that on an unconsolidated basis we and most of our subsidiaries will comply with the 40% test and no more than 40% of the assets of those subsidiaries will consist of investment securities. We expect that most, if not all, of our wholly- and majority-owned subsidiaries will fall outside the definitions of investment company under Section 3(a)(1)(A) and Section 3(a)(1)(C) or rely on an exception or exemption from the definition

of investment company other than the exceptions under Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Consequently, interests in these subsidiaries (which currently constitute and are expected to continue to constitute most, if not all, of our assets) generally will not constitute "investment securities" for purposes of Section 3(a)(1)(C) of the Investment Company Act. Accordingly, we believe that we are not considered and will not be considered an investment company under Section 3(a)(1)(C) of the Investment Company Act. We monitor our holdings on an ongoing basis and in connection with each of our business acquisitions to determine compliance with the 40% test.

The determination of whether an entity is our majority-owned subsidiary is made by us. Under the Investment Company Act, a majority-owned subsidiary of a person means a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act further defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We have not requested the SEC to approve our treatment of any company as a majority-owned subsidiary and the SEC has not done so. If the SEC, or its staff, were to disagree with our treatment of one of more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any such adjustment in our strategy could have a material adverse effect on us.

Additionally, we conduct and intend to continue to conduct operations so that we are not treated as a "special situation investment company" as such term has been interpreted by the SEC and its staff and by courts in judicial proceedings under the Investment Company Act. Special situation investment companies generally are companies which secure control of other companies primarily for the purpose of making a profit in the sale of the controlled company's securities. The types of companies that have been characterized by the SEC in SEC releases, the SEC staff or by courts in judicial proceedings under the Investment Company Act as "special situation investment companies" are those that, as part of their history and their stated business purpose, engage in a pattern of acquiring large or controlling blocks of securities in companies, attempting to control or to exert a controlling influence over these companies, improving their performance and then disposing of acquired share positions after a short-term holding period at a profit once the acquired shares increase in value. Special situation investment companies also follow a policy of shifting from one investment to another because greater profits seem apparent elsewhere. We monitor our business activities, including our acquisitions and divestments, on an ongoing basis to avoid being deemed a special situation investment company. One of the factors that distinguishes us from a "special situation investment company" is our policy of acquiring middle-market U.S. businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years.

A change in the value of our assets could cause us or one or more of our wholly- or majority-owned subsidiaries to fall within the definition of "investment company" and negatively affect our ability to maintain our exclusion from registration under the Investment Company Act. To avoid being required to register the company or any of its subsidiaries as an investment company under the Investment Company Act, we may be unable to acquire businesses with an intention of disposing of them on a short-term basis. In addition, we may in other circumstances be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. We also may have to acquire additional income- or loss-generating assets that we might not otherwise have acquired or may have to forgo opportunities to acquire interests in companies that we would otherwise want to acquire and would be important to our business strategy.

If we become obligated to register the company or any of its subsidiaries as an investment company pursuant to the Investment Company Act, the registered entity would have to comply with a variety of substantive requirements under the Investment Company Act imposing, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

If we were required to register the company as an investment company pursuant to the Investment Company Act but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition,

our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business, all of which would have a material adverse effect on us and the returns generated for shareholders.

If, in the future, we cease to control and operate our businesses, we may be deemed to be an investment company under the Investment Company Act.

Under the terms of our LLC Agreement, we have the latitude to acquire equity interests in businesses that we will not operate or control. If we make significant acquisitions of equity interests in businesses that we do not operate or control or cease to operate and control such businesses, we may be deemed to be an investment company under the Investment Company Act. If we were deemed to be an investment company under the Investment Company Act, we would either have to register as an investment company under the Investment Company Act, obtain exemptive relief from the SEC or modify our equity interests and debt positions or organizational structure or our contract rights to fall outside the definition of an investment company under the Investment Company Act. Registering as an investment company pursuant to the Investment Company Act could, among other things, materially adversely affect our financial condition, business and results of operations, materially limit our ability to borrow funds or engage in other transactions involving leverage and require us to add directors who are independent of us, the Manager and the Sub-Manager and otherwise will subject us to additional regulation that will be costly and time-consuming.

Risks Related to the Manager, the Sub-Manager and Their Respective Affiliates

Our success will be dependent on the performance of the Manager and the Sub-Manager and their respective affiliates, but investors should not rely on the past performance of the Manager, the Sub-Manager and their respective affiliates as an indication of future success. Prior to the Initial Public Offering, affiliates of CNL had only sponsored real estate and credit investment programs.

The Manager was formed in August 2016. The Sub-Manager was formed in September 2016 and, other than with respect to us, has limited experience managing a business under guidelines designed to allow us to avoid registration as an investment company under the Investment Company Act, which may hinder our ability to take advantage of attractive acquisition opportunities and, as a result, implement and execute our business strategy. In addition, other than with respect to us, the Sub-Manager has limited experience complying with regulatory requirements applicable to public companies. We cannot guarantee that we will be able to find suitable acquisition opportunities and our ability to implement and execute our business strategy and to pay distributions will be dependent upon the performance of the Manager and the Sub-Manager in the identification and acquisition of such opportunities and the management of our businesses and other assets. Additionally, investors should not rely on the past performance of investments by other CNL- or LLCP-affiliated entities to predict our future results. Our business strategy and key employees differ from the business strategies and key employees of certain other CNL- or LLCP-affiliated programs in the past, present and future. Prior to the Initial Public Offering, affiliates of CNL had only sponsored real estate and credit investment programs. If either the Manager or the Sub-Manager fails to perform according to our expectations, we could be materially adversely affected.

The Manager, the Sub-Manager and their respective affiliates, including our officers and some of our directors will face conflicts of interest including conflicts that may result from compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders.

The Manager, the Sub-Manager and their respective affiliates will receive substantial fees from us (directly or indirectly) in return for their services, and these fees could influence the advice provided to us. Among other matters, the compensation arrangements could affect their judgment with respect to public and private offerings of equity by us, which allow the Managing Dealer to earn additional dealer manager fees and the Manager and the Sub-Manager to earn increased management fees. The Administrator and the Sub-Administrator will also face conflicts of interests with respect to their performance of various administrative services that we require, including, but not limited to, conflicts that may arise from the Administrator's and the Sub-Administrator's decisions with respect to the allocation of their time and resources as they relate to their recommendations and oversight of the personnel, facilities and services provided to us, and the quality of professional and administrative services rendered by their respective affiliates to us. The Manager, the Sub-Manager and their respective affiliates, including certain of our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements. The Manager compensates the members of its management committee with incentive-based compensation, asset-based compensation and/or

bonuses and awards which will vary based on the Manager's performance.

The incentive fees that we may pay to the Manager (50% of which would be paid to the Sub-Manager) may create an incentive for the Manager and the Sub-Manager to make acquisitions on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee is determined may encourage the Manager and the Sub-Manager to use leverage to increase the return on our assets. In addition, the fact that our base management fee for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, which would include any borrowings for investment purposes, may encourage the Manager and the Sub-Manager to use leverage or to acquire additional assets. The use of leverage increases the volatility of assets by magnifying the potential for gain or loss on invested equity capital. In addition, we and our shareholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the management fees payable to the Manager. Our businesses may pay fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees. These fees may be paid before we realize any income or gain. The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand. Furthermore, our board of directors is responsible for determining the net asset value of our assets (with the assistance from the Manager, the Sub-Manager and the independent valuation firm) and, because the base management fee is payable monthly and for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, a higher net asset value of our assets would result in a higher base management fee to the Manager and the Sub-Manager.

We pay 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.

The Manager and the Sub-Manager perform services for us in connection with the identification, selection and acquisition of our assets, and the monitoring and administration of our assets. We pay the Manager and the Sub-Manager certain fees for management services, including a base management fee that is not tied to the performance of our assets. We pay fees and commissions to the Managing Dealer in connection with the offer and sale of the shares. We may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services. Since the Administrator and the Sub-Administrator are affiliates of the Manager and the Sub-Manager, respectively, they may experience conflicts of interests when seeking expense reimbursement from us. Similarly, our businesses may pay fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees. These fees reduce the amount of cash available for acquisitions or distribution to our shareholders. These fees also increase the risk that the amount available for distribution to shareholders upon a liquidation of our assets would be less than the purchase price of the shares in the Second Follow-On Public Offering and that investors may not earn a profit on their investment.

The time and resources that individuals associated with the Manager and the Sub-Manager devote to us may be diverted.

We currently expect the Manager, the Sub-Manager and their respective officers and employees to devote such time as shall be necessary to conduct our business affairs in an appropriate manner. However, the Manager, the Sub-Manager and their respective officers and employees are not required to do so. Moreover, neither the Manager, the Sub-Manager nor their affiliates are prohibited from raising money for and managing another entity that competes with us or our businesses, except as agreed to by the Manager and the Sub-Manager. Accordingly, the respective management teams of the Manager and the Sub-Manager may have obligations to investors in entities they work at or manage in the future, the fulfillment of which might not be in the best interests of us or our shareholders or that may require them to devote time to services for other entities, which could interfere with the time available to provide services to us. In addition, we may compete with any such investment entity for the same investors and acquisition opportunities.

We do not have a policy that expressly prohibits our directors, officers, or affiliates from engaging for their own account in business activities of the types conducted by us.

We do not have a policy that expressly prohibits our directors, officers, or affiliates from engaging for their own account in business activities of the types conducted by us. However, our code of business conduct contains a conflicts of interest policy that prohibits our directors and executive officers, as well as personnel of the Manager and the Sub-Manager who provide services to us, from engaging in any transaction that involves an actual conflict of interest with us without the approval of a majority of our

independent directors. In addition, the Management Agreement and the Sub-Management Agreement do not prevent the Manager, the Sub-Manager and their respective affiliates from engaging in additional business opportunities, some of which could compete with us, except as agreed to by the Manager and the Sub-Manager.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs, our businesses and their respective other accounts and clients.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients; compensation to the Manager, the Sub-Manager and their respective affiliates; services that may be provided by the Manager, the Sub-Manager and their respective affiliates to our businesses; co-investment opportunities for us and the allocation of such opportunities to us and other clients of the Manager and the Sub-Manager; the formation of investment vehicles by the Manager or the Sub-Manager; differing recommendations given by the Manager and the Sub-Manager to us versus other clients; the Manager's and the Sub-Manager's use of information gained from our businesses for investments by other clients, subject to applicable law; and restrictions on the Manager's and the Sub-Manager's use of "inside information" with respect to potential acquisitions by us.

In connection with the services that the Sub-Manager or its affiliates may provide to the businesses we acquire, the Sub-Manager may be paid transaction fees in connection with services customarily performed in connection with the management of such businesses (except that no such transaction fees were charged on our acquisition of the initial businesses). Any transaction fees received by the Sub-Manager up to $1.5 million to $3.5 million annually (dependent on our total assets at the time of receipt of such transaction fees) will not be shared with us. Any transaction fees charged to businesses in excess of $3.5 million will be paid to us. Additionally, these fees may be paid before we realize any income or gain. We may also reimburse the Sub-Manager for certain transactional expenses (e.g. research costs, due diligence costs, professional fees, legal fees and other related items) related to businesses that we acquire as well as transactional expenses related to deals that do not close, often referred to as "broken deal costs." The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

The Sub-Manager may experience conflicts of interests in its management of other clients that may have a similar business strategy as us.

The Sub-Manager and its affiliates currently manage other clients and may in the future manage new clients that may have a similar business strategy as us. The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine it is more appropriate for one or more other clients managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. These co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other participating accounts, including the amount of such co-investment opportunity allocated to us.

The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to the Exclusivity Agreement and its obligations thereunder, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy. Furthermore, subject to the company's investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on behalf of the company).

Consistent with our allocation policy, in the event that a co-investment opportunity that the Manager has approved for potential participation does not close and the Sub-Manager and its affiliates accumulate broken deal costs in connection with the co-

investment opportunity, the Sub-Manager and its affiliates will be required to allocate such broken deal costs among us and the other participating accounts. Broken deal costs will generally be allocated to us by the Sub-Manager pro rata based on our allocation in a proposed co-investment opportunity if our allocation in such co-investment opportunity has been determined; however, in the event that we expect to participate in a co-investment opportunity with Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), or LLCP Lower Middle Market Fund III, L.P. ("LMM III Fund") which accumulates broken deal costs and our allocation in such co-investment opportunity has not been determined, we will be allocated 5% of the broken deal costs with respect to a co-investment with LLCP VII, or 10% of the broken deal costs with respect to a co-investment with the LMM III Fund, subject to annual review by the Sub-Manager. We may similarly act as a dedicated co-investor for other private acquisition funds advised by affiliates of the Sub-Manager that are formed in the future, with our allocation percentage being determined at or prior to the time we begin pursuing co-investment opportunities with such vehicles and subject to annual review by the Sub-Manager. Additionally, on a quarterly basis, the Sub-Manager will identify third party broken deal costs for opportunities that were not presented to the Manager for prior approval but which are determined in the Sub-Manager's reasonable judgment and in a manner consistent with the Sub-Manager's fiduciary obligations to have qualified as a potential investment opportunity for us on a direct or co-investment basis (such opportunity, a "lookback broken deal"). Subject to approval by the Manager, we will reimburse the Sub-Manager for our allocable portion of third party broken deal expenses incurred in connection with a lookback broken deal. In the case of a lookback broken deal identified as an opportunity on a co-investment basis with LLCP VII or LMM III Fund, our allocable portion of such third party broken deal expenses will be 5% or 10%, respectively. Unless our board of directors approves otherwise, in no event will our portion of the aggregate lookback broken deal expenses exceed $75,000 on a calendar year basis.

The Manager and its respective affiliates may have an incentive to delay a liquidity event, which may result in actions that are not in the best interest of our shareholders.

We pay certain amounts to the Managing Dealer and participating broker-dealers in connection with the distribution of certain classes of shares for the ongoing marketing, sale and distribution of such shares, including an ongoing distribution and shareholder servicing fee. The ongoing distribution and shareholder servicing fee for these classes of shares will terminate for all shareholders upon a liquidity event. As such, the Manager may have an incentive to delay a liquidity event or making such recommendation to our board of directors if such amounts receivable by the Managing Dealer have not been fully paid. A delay in a liquidity event may not be in the best interests of our shareholders.

Our access to confidential information may restrict our ability to take action with respect to our businesses, which, in turn, may negatively affect our results of operations.

We, directly or through the Manager or the Sub-Manager, may obtain confidential information about our businesses. If we possess confidential information about such businesses, there may be restrictions on our ability to dispose of, increase the amount of, or otherwise take action with respect to, our interests in those businesses. The impact of these restrictions on our ability to take action with respect to such businesses could have an adverse effect on our results of operations.

We may be obligated to pay the Manager and the Sub-Manager incentive fees even if there is a decline in the value of our assets for that calendar year and even if our earned interest income is not payable in cash.

The Management Agreement and the Sub-Management Agreement entitle the Manager and the Sub-Manager to receive an incentive fee based on the total return of each class of our shares regardless of any capital losses. In such case, we may be required to pay the Manager and the Sub-Manager an incentive fee for a calendar year even if there is a decline in the value of our assets for that calendar year or if our net asset value is less than the purchase price of an investor's shares.

Any incentive fee payable by us that relates to the total return of each class of our shares may be computed and paid on income that may include interest that has been accrued but not yet received or interest in the form of securities received rather than cash ("payment-in-kind" or "PIK" income) or based on unrealized gains. If one of our businesses defaults on a loan that is structured to provide accrued interest income, it is possible that accrued interest income previously included in the calculation of the incentive fee will become uncollectible. The Manager and the Sub-Manager are not obligated to reimburse us for any part of the incentive fee they received that was based on accrued interest income that we never received as a result of a subsequent default or an unrealized gain.

The Manager's and the Sub-Manager's liability is limited under the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable, and we are required to indemnify the Manager and the Sub-Manager against certain liabilities, which may lead them to act in a riskier manner on our behalf than it would when acting for their own account.

The Manager and the Sub-Manager have not assumed any responsibility to us other than to render the services described in the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable. Pursuant to the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable, the Manager, the Sub-Manager and their respective officers, managers, partners, members, agents, employees, controlling persons, shareholders, and any other person or entity affiliated with the Manager and the Sub-Manager will not be liable to us or any of our subsidiaries' members, stockholders or partners in connection with the performance of any duties or obligations under the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, absent negligence or misconduct in the performance of the Manager's or the Sub-Manager's duties, as applicable. We have also agreed to indemnify, defend and protect the Manager, the Sub-Manager and their respective officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with the Manager and the Sub-Manager with respect to all damages, liabilities, costs and expenses incurred in or by reason of any pending, threatened or completed, action suit investigation or other proceeding resulting from acts of the Manager and the Sub-Manager not arising out of negligence or misconduct in the performance of the Manager's or the Sub-Manager's duties, as applicable, under such agreements. These protections may lead the Manager and the Sub-Manager to act in a riskier manner when acting on our behalf than it would when acting for their own account.

Each of the Manager and the Sub-Manager can resign on 120 days notice and, pursuant to the Sub-Management Agreement, the Manager and the Sub-Manager have agreed to resign if the other is terminated for anything other than cause and we may not be able to find suitable replacement(s) within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

The Manager has the right, under the Management Agreement, to resign at any time on 120 days written notice, whether we have found a replacement or not. If the Manager resigns, we may not be able to contract with a new manager or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 120 days, or at all, in which case our operations are likely to experience a disruption and our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected. In addition, the coordination of our internal management, business activities and supervision of our businesses is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Manager and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our businesses may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

The Sub-Manager also has the right, under the Sub-Management Agreement, to resign at any time on 120 days written notice, whether the Manager or the company has found a replacement or not. If the Sub-Manager resigns, the Manager and the company may not be able to contract with a new sub-manager. The Sub-Management Agreement provides that, in the event the Manager or the Sub-Manager is terminated or not renewed as a manager or sub-manager, other than for cause, the other will also terminate its Management Agreement or Sub-Management Agreement, as applicable. In such case, our operations are likely to experience a disruption and our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected.

Risks Related to Our Business

A business strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies.

We intend to continue to acquire controlling interests in privately held, middle-market U.S. businesses which by their nature pose certain incremental risks as compared to public companies including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;

- may have limited financial resources and may be unable to meet their obligations under their debt securities that we may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees we may have obtained in connection with our acquisition;
- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our privately held company and, in turn, on us; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and members of the Manager's and the Sub-Manager's management may, in the ordinary course of business, be named as defendants in litigation arising from our ownership of these companies.

In addition, interests in private companies tend to be less liquid. The securities of private companies are not publicly traded or actively traded on the secondary market and are, instead, traded on a privately negotiated over-the-counter secondary market for institutional investors. These over-the-counter secondary markets may be inactive during an economic downturn or a credit crisis. In addition, the securities in these companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. If there is no readily available market for these assets, we are required to carry these assets at fair value as determined by our board of directors. As a result, if we are required to liquidate all or a portion of our assets quickly, we may realize significantly less than the value at which we had previously recorded these assets. We may also face other restrictions on our ability to liquidate our ownership of a business to the extent that we, the Manager, the Sub-Manager or any of their respective affiliates have material nonpublic information regarding such business or where the sale would be an impermissible joint transaction. The reduced liquidity of these assets may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

Finally, little public information generally exists about private companies and these companies may not have third-party credit ratings or audited financial statements. We must therefore rely on the ability of the Manager and the Sub-Manager to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from these business opportunities. Additionally, these companies and their financial information will not generally be subject to the Sarbanes-Oxley Act and other rules that govern public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed business decision, and we may lose money on our assets.

We face risks with respect to the evaluation and management of future acquisitions.

A significant component of our business strategy is to acquire controlling equity interests in businesses. We intend to focus on middle-market U.S. businesses in various industries. Generally, because such businesses are held privately, we may experience difficulty in evaluating potential target businesses as the information concerning these businesses is not publicly available. Therefore, our estimates and assumptions used to evaluate the operations, management and market risks with respect to potential target businesses may be subject to various risks. Further, the time and costs associated with identifying and evaluating potential target businesses and their industries may cause a substantial drain on our resources and may divert our management team's attention away from operations for significant periods of time. In addition, we may incur substantial broken deal costs in connection with acquisition opportunities that are not consummated.

In addition, we may have difficulty effectively managing the businesses we acquire. The management or improvement of businesses we acquire may be hindered by a number of factors including limitations in the standards, controls, procedures and policies of such acquisitions. Further, the management of an acquired business may involve a substantial reorganization resulting in the loss of employees and customers or the disruption of our ongoing businesses. Some of the businesses we acquire may have significant exposure to certain key customers, the loss of which could negatively impact our financial condition, business and results of operations. We may experience greater than expected costs or difficulties relating to such acquisition, in which case,

we might not achieve the anticipated returns from any particular acquisition, which may have a material adverse effect on our financial condition, business and results of operations.

In addition, certain members of the management teams of our businesses have, and may have in the future, the opportunity to participate in equity incentive programs which are expected to be based on the satisfaction of certain performance criteria and metrics and may include receipt of options. Although we believe such awards are important incentives for the management teams of our businesses, such awards could decrease our percentage ownership in a business to the extent such award vests and is exercised in the future.

If we cannot obtain debt financing or equity capital on acceptable terms, our ability to finance future acquisitions of businesses and expand our operations will be adversely affected.

The net proceeds from the sale of our shares in the Second Follow-On Public Offering will be used to finance the acquisition of businesses, and, if necessary, the payment of operating expenses and the payment of various fees and expenses such as management fees, incentive fees, other fees and distributions. Any working capital reserves we maintain may not be sufficient for business purposes, and we may require additional debt financing or equity capital to operate. These sources of funding may not be available to us due to unfavorable economic conditions, which could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. Consequently, if we cannot obtain further debt or equity financing on acceptable terms, our ability to fund the acquisition of businesses and to expand our operations will be adversely affected. As a result, we would be less able to execute our business strategy, which may negatively impact our results of operations and reduce our ability to make distributions to our shareholders.

We may face increasing competition for acquisition opportunities, which could delay deployment of our capital, reduce returns and result in losses.

We compete for acquisitions with strategic buyers, private equity funds and diversified holding companies. Additionally, we may compete for loans with traditional financial services companies such as commercial banks. Certain competitors are substantially larger and have greater financial, technical and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us, and others may have higher risk tolerances or different risk assessments. These characteristics could allow our competitors to consider a wider variety of acquisition opportunities, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose acquisition opportunities if we do not match our competitors' pricing, terms or structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable risk-adjusted returns on our businesses or may bear risk of loss, which may have a material adverse effect on our business, financial condition and results of operations. In addition, if we lose an acquisition opportunity, we may still incur broken deal costs related to the review of an opportunity that is not consummated, which could be substantial.

We rely on receipts from our businesses to make distributions to our shareholders.

We are dependent upon the ability of our businesses to generate earnings and cash flow and distribute them to us in the form of interest and principal payments of indebtedness and, from time to time, distributions on equity to enable us, first, to satisfy our financial obligations and, second to make distributions to our shareholders. This ability may be subject to limitations under laws of the jurisdictions in which they are incorporated or organized. As a consequence of these various restrictions, we may be unable to generate sufficient receipts from our businesses, and therefore, we may not be able to declare, or may have to delay or cancel payment of, distributions to our shareholders.

We do not intend to own 100% of our businesses. While we receive cash payments from our businesses which are in the form of interest payments, debt repayment and distributions, if any distributions were to be paid by our businesses, they would be shared *pro rata* with the minority shareholders of our businesses and the amounts of distributions made to minority shareholders would not be available to us for any purpose, including debt service or distributions to our shareholders. Any proceeds from the sale of a business will be allocated among us and the non-controlling shareholders of the business that is sold.

We anticipate acquiring controlling interests in a limited number of businesses and these businesses may be subject to unplanned business interruptions.

We anticipate acquiring controlling interests in a limited number of companies. As a result, the performance of our business may be substantially adversely affected by the unfavorable performance of even a single business. Further, operational interruptions and unplanned events at one or more production facilities of these businesses, such as explosions, fires, inclement weather, natural disasters, pandemics, accidents, transportation interruptions and supply chain related disruptions could cause substantial losses in our production capacity. Furthermore, because customers may be dependent on planned deliveries from us, customers that have to reschedule their own operations due to our delivery delays may be able to pursue financial claims against us, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Such interruptions may also harm our reputation among actual and potential customers, potentially resulting in a loss of business. To the extent these losses are not covered by insurance, our financial position, results of operations and cash flows may be adversely affected by such events.

The outbreak of highly infectious or contagious diseases could materially and adversely impact our business, our operating businesses, our financial condition, results of operations and cash flows.

Outbreaks of pandemic or contagious diseases could materially and adversely affect our business, our operating businesses, our financial condition, results of operations and cash flows. Our portfolio companies could be prevented from conducting business activities in the future as a result of, among other things, any quarantines, work and travel restrictions, supply chain disruptions and labor shortages in response to pandemics. Since certain aspects of the services provided by our businesses involve face to face interaction, any quarantines and work and travel restrictions in response to pandemics may reduce participation or result in a loss of business. Additionally, since certain of the products offered by our businesses are manufactured in a facility or distributed through retail stores, a closure of such facility, loss in business for such retail store, or our businesses' inability to obtain raw materials and to ship products in a timely and cost-effective manner due to pandemics could have an adverse impact on production schedules and product sales. Further, if the U.S. and global economy slow down or consumer behavior shifts due to future pandemics, the demand for the products or services offered by our operating businesses may be reduced. Any future pandemics could present material uncertainty and risk with respect to our business, our operating businesses, our financial condition, results of operations and cash flows.

In certain circumstances, certain business analyses and decisions by the Manager and the Sub-Manager may be required to be undertaken on an expedited basis.

While we generally will not seek to make an acquisition until the Sub-Manager has conducted sufficient due diligence to make a determination whether to pursue an acquisition opportunity, in such cases, the information available to the Manager and the Sub-Manager at the time of making an acquisition decision may be limited. In certain circumstances, the business analyses and decisions by the Manager and the Sub-Manager may be required to be undertaken on an expedited basis to take advantage of acquisition opportunities. Therefore, no assurance can be given that the Manager and the Sub-Manager will have knowledge of all circumstances that may adversely affect such decision. In addition, the Manager and the Sub-Manager expect often to rely upon independent consultants in connection with its evaluation of proposed acquisitions. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and we may incur liability as a result of such consultants' actions.

Our success is dependent on general economic, political and market conditions.

Our portfolio companies and the success of our investment activities in particular are affected by global and national economic, political and market conditions generally and also by the local economic conditions where our portfolio companies are located and operate. These factors may affect the businesses our portfolio companies operate, which could impair the profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments.

Although the valuations and pricing of durable and high quality private companies have increased in the last couple of years, ongoing competition for high quality private companies may reduce anticipated returns in the future. Furthermore, economic growth remains affected by inflationary pressure, recessionary concerns, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Although interest rates have begun to subside, we cannot predict with certainty any future action that the U.S. Federal Reserve and/or any other global central bank may take with respect to interest rates. A negative shock to the economy could result in reduced valuations and multiples for the acquisitions. There can be no assurance that our investments will not be adversely affected by a severe slowing of the economy or renewed recession. Fluctuations in interest rates, inflationary pressure, supply chain issues, changes in labor and material costs, and limited availability of capital and other economic conditions beyond our control could negatively affect our portfolio and decrease the value of our investments.

Any of the following events could result in substantial impact to our portfolio companies and to the value of our investments in these portfolio companies:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- a recession, slowdown or sustained downturn in the U.S. market, and to a lesser extent, the global economy (or any particular segment thereof);
- overall weakening of, or disruptions in, the financial markets;
- future adverse acquisitions trends, including increasing multiples and pricing of private companies, declining yield on investments;
- perceived or actual economic distress or failures of financial institutions;
- future adverse valuation trends, including the compression of the multiples used for valuations;
- changes in supply of or demand for products/services offered by our portfolio companies;
- increased competition for businesses/portfolio companies targeted by our investment strategy;
- increases in interest rates and inflationary pressures on labor rates and input costs, which may impact the margins of our portfolio companies;
- any supply chain related disruptions exacerbated by pandemics and changes in labor and material costs which may have a pronounced impact on the profitability of our portfolio companies;
- geopolitical challenges and uncertainties (including wars and other forms of conflict, terrorist acts and security operations); and
- changes in government rules, regulations and fiscal policies, including increases in taxes, changes in zoning laws and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to shareholders.

We will be exposed to risks associated with changes to overall pricing and valuation multiples of durable and high-quality private companies.

Although the valuations and pricing of durable and high quality private companies have increased in the last couple of years, ongoing competition for high quality private companies and resulting upward pressure on pricing may increase the acquisition cost of our assets and, as a result, could reduce anticipated returns in the future. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. A negative shock to the economy could result in reduced valuations and multiples for our existing businesses. There can be no assurance that our businesses will not be adversely affected by a severe slowing of the economy or renewed recession. Fluctuations in interest rates, inflationary pressure, supply chain issues and limited availability of capital and other economic conditions beyond our control could negatively affect our portfolio and decrease the value of our assets.

Financial results of certain of our businesses may be affected by the operating results of and actions taken by their franchisees.

Certain of our businesses may receive a substantial portion of their revenues in the form of royalties, which are generally based on a percentage of gross sales from franchisees. Accordingly, financial results of such businesses are to a large extent dependent upon the operational and financial success of their franchisees. If sales trends or economic conditions deteriorate for franchisees, their financial results may also deteriorate and the royalties paid to such businesses may decline and the accounts receivable and related allowance for doubtful accounts may increase. In addition, if the franchisees fail to renew their franchise agreements, royalty revenues of these businesses may decrease which in turn may materially and adversely affect business and operating results of these businesses.

Additionally, although franchisees are contractually obligated to operate their businesses in accordance with the operations, safety, and health standards set forth in agreements between our businesses and their franchisees, such franchisees are independent third parties whom we or our businesses do not control. The franchisees own, operate, and oversee the daily operations of their business and have sole control over all employee and other workforce decisions. As a result, the ultimate success and quality of any franchisee's business rests with the franchisee. If franchisees do not successfully operate their business in a manner consistent with required standards, royalty income paid to our businesses may be adversely affected and brand image and reputation could be harmed, which in turn could materially and adversely affect business and operating results of our businesses.

For certain of our businesses, a limited number of customers may account for a large portion of their net sales, so that if one or more of the major customers were to experience difficulties in fulfilling their obligations to such businesses, cease doing business with such businesses, significantly reduce the amount of their purchases from such businesses or return substantial amounts of such businesses' products, it could have a material adverse effect on our business, financial condition and results of operations.

For certain of our businesses, a limited number of customers may account for a large portion of their gross sales, so that if one or more of the major customers of such businesses were to experience difficulties in fulfilling their obligations to such businesses, cease doing business with such businesses, significantly reduce the amount of their purchases from such businesses or return substantial amounts of such businesses' products, it could have a material adverse effect on our business, financial condition and results of operations. Except for outstanding purchase orders for specific products, certain of our businesses may not have written contracts with or commitments from any of their customers and pursuant to the terms of certain of their vendor agreements, even some purchase orders may be cancelled without penalty until delivery. A substantial reduction in or termination of orders from any of their largest customers could adversely affect their business, financial condition and results of operations. In addition, pressure by large customers seeking price reductions, financial incentives, and changes in other terms of sale or for these businesses to bear the risks and the cost of carrying inventory could also adversely affect business, financial condition and results of operations of our businesses. In addition, the bankruptcy or other lack of success of one or more of the significant customers could negatively impact such businesses' revenues and bad debt expense.

Some of our businesses are or may be dependent upon the financial and operating conditions of their customers and clients. If the demand for their customers' and clients' products and services declines, demand for their products and services will be similarly affected and could have a material adverse effect on their financial condition, business and results of operations.

The success of our businesses' customers' and clients' products and services in the market and the strength of the markets in which these customers and clients operate affect our businesses. Our businesses' customers and clients are subject to their own business cycles, thus posing risks to these businesses that are beyond our control. These cycles are unpredictable in commencement, severity and duration. Due to the uncertainty in the markets served by most of our businesses' customers and clients, our businesses cannot accurately predict the continued demand for their customers' and clients' products and services and the demands of their customers and clients for their products and services. As a result of this uncertainty, past operating results, earnings and cash flows may not be indicative of our future operating results, earnings and cash flows. If the demand for their customers' and clients' products and services declines, demand for their products and services will be similarly affected and could have a material adverse effect on their financial condition, business and results of operations.

Certain of our businesses compete in highly competitive markets which are subject to the risk of market disruption including from the development and advancement of new technologies and there can be no assurance that our businesses will be able to compete successfully.

Some of our businesses are and may be subject to a variety of federal, state and foreign laws and regulations concerning employment, health, safety and products liability. Failure to comply with governmental laws and regulations could subject them to, among other things, potential financial liability, penalties and legal expenses which could have a material adverse effect on our financial condition, business and results of operations.

Some of our businesses are and may be subject to various federal, state and foreign government employment, health, safety and products liability regulations. Compliance with these laws and regulations, which may be more stringent in some jurisdictions, is a major consideration for our businesses. Government regulators generally have considerable discretion to change or increase regulation of our operations, or implement additional laws or regulations that could materially adversely affect our businesses. Noncompliance with applicable regulations and requirements could subject our businesses to investigations, sanctions, product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions. Suffering any of these consequences could materially adversely affect our financial condition, business and results of operations. In addition, responding to any action may result in a diversion of the Manager's, the Sub-Manager's and our executive officers' attention and resources from our operations.

Some of our businesses are and may be subject to federal, state and foreign environmental laws and regulations that expose them to potential financial liability. Complying with applicable environmental laws requires significant resources, and if our businesses fail to comply, they could be subject to substantial liability.

Some of the facilities and operations of our businesses are and may be subject to a variety of federal, state and foreign environmental laws and regulations including laws and regulations pertaining to the handling, storage and transportation of raw materials, products and wastes, which require and will continue to require significant expenditures to remain in compliance with such laws and regulations currently in place and in the future. Compliance with current and future environmental laws is a major consideration for certain of our businesses as any material violations of these laws can lead to substantial liability, revocations of discharge permits, fines or penalties. Because some of our businesses may use hazardous materials in their operations, they may be subject to potential financial liability for costs associated with the investigation and remediation of their own sites if such sites become contaminated. Even if they fully comply with applicable environmental laws and are not directly at fault for the contamination, such businesses may still be liable.

The identification of presently unidentified environmental conditions, more vigorous enforcement by regulatory agencies, enactment of more stringent laws and regulations, or other unanticipated events may arise in the future and give rise to material environmental liabilities, higher than anticipated levels of operating expenses and capital investment or, depending on the severity of the impact of the foregoing factors, costly plant relocation, all of which could have a material adverse effect on our financial condition, business and results of operations.

Some of our businesses are subject to certain risks associated with business they conduct in foreign jurisdictions.

Some of our businesses conduct business in foreign jurisdictions. Certain risks are inherent in conducting business in foreign jurisdictions, including:

- exposure to local economic conditions;
- difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- longer payment cycles for foreign customers;
- adverse currency exchange controls;
- exposure to risks associated with changes in foreign exchange rates;
- potential adverse changes in the political environment of the foreign jurisdictions or diplomatic relations of foreign countries with the United States;
- withholding taxes and restrictions on the withdrawal of foreign investments and earnings;
- export and import restrictions;
- labor relations in the foreign jurisdictions;

- difficulties in enforcing intellectual property rights; and
- required compliance with a variety of foreign laws and regulations.

Some of the businesses we acquire may rely on their intellectual property and licenses to use others' intellectual property, for competitive advantage. If they are unable to protect their intellectual property, are unable to obtain or retain licenses to use others' intellectual property, or if they infringe upon or are alleged to have infringed upon others' intellectual property, it could have a material adverse effect on their financial condition, business and results of operations.

Each business' success depends in part on their, or licenses to use others' brand names, proprietary technology and manufacturing techniques. Such businesses may rely on a combination of patents, trademarks, copyrights, trade secrets, confidentiality procedures and contractual provisions to protect their intellectual property rights. The steps they have taken to protect their intellectual property rights may not prevent third parties from using their intellectual property and other proprietary information without their authorization or independently developing intellectual property and other proprietary information that is similar. In addition, the laws of foreign countries may not protect the intellectual property rights of these companies effectively or to the same extent as the laws of the United States.

Stopping unauthorized use of their proprietary information and intellectual property, and defending against claims that they have made unauthorized use of others' proprietary information or intellectual property, may be difficult, time-consuming and costly. The use of their intellectual property and other proprietary information by others, and the use by others of their intellectual property and proprietary information, could reduce or eliminate any competitive advantage they have developed, cause them to lose sales or otherwise harm their business.

Some of the businesses we acquire may become involved in legal proceedings and claims in the future either to protect their intellectual property or to defend allegations that they have infringed upon others' intellectual property rights. These claims and any resulting litigation could subject them to significant liability for damages and invalidate their property rights. In addition, these lawsuits, regardless of their merits, could be time consuming and expensive to resolve and could divert management's time and attention. The costs associated with any of these actions could be substantial and could have a material adverse effect on their financial condition, business and results of operations.

Some of the businesses we acquire may be subject to certain risks associated with the movement of businesses offshore.

Some of the businesses we acquire may be potentially at risk of losing business to competitors operating in lower cost countries. An additional risk is the movement offshore of some customers of these businesses we control, leading them to procure products or services from more closely located companies. Either of these factors could negatively impact our financial condition, business and results of operations.

Defaults by our businesses will harm our operating results.

A business's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its debt financing and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize such business's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting business. Further, there may not be any prepayment penalty for our borrowers who prepay their loans. If borrowers choose to prepay their loans, we may not receive the full amount of interest payments otherwise to be received by us.

Our businesses may incur debt that ranks equally with, or senior to, our debt in such businesses.

Our businesses may have, or may be permitted to incur, other debt that ranks equally with, or senior to, our debt in such businesses. By their terms, such debt may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to our debt in such business. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of our business, holders of debt instruments ranking senior to our debt in that business would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such business may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with our debt in the business, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant business.

We may not have the funds or ability to make additional capital contributions or loans to our businesses.

After our initial acquisition of an equity stake in a business or loans to such business, we may be called upon from time to time to provide additional funds to such business or have the opportunity to increase our capital contributions. There is no assurance that we will make, or will have sufficient funds to make, follow-on contributions. Even if we do have sufficient capital to make a desired follow-on contribution, we may elect not to make a follow-on contribution because we may not want to increase our level of risk or we prefer other opportunities. Our ability to make follow-on contributions may also be limited by the Manager's and the Sub-Manager's allocation policies. Any decisions not to make a follow-on contribution or any inability on our part to make such a contribution may have a negative impact on such business, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce our expected return with respect to the business.

The debt positions we will typically acquire in connection with our acquisition of controlling equity interests in businesses may be risky, and we could lose all or part of our assets.

When we acquire a controlling equity interest in a business, we also will typically acquire a debt position in such business, which may be in the form of senior or subordinated securities.

When we acquire senior debt, we will generally seek to take a security interest in the available assets of a business, including equity interests in any of its subsidiaries. There is a risk that the collateral securing our loans may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the business to raise additional capital. Also, in some circumstances, our lien could be subordinated to claims of other creditors. In addition, deterioration in such business's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan's terms, or at all, or that we will be able to collect on the loan should we be forced to enforce our remedies.

Our acquisitions of subordinated debt will generally be subordinated to senior debt and will generally be unsecured, which may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These acquisitions may involve additional risks that could adversely affect our returns as compared to our acquisition of senior debt. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject us and our shareholders to non-cash income. We will not receive any principal repayments prior to the maturity of most of our subordinated debt, which may be of greater risk than amortizing loans.

We have acquired, and may acquire in the future, debt and minority interests in businesses and, if we do so, we may not be in a position to control such businesses, and their respective management team may make decisions that could decrease the value of our assets.

We anticipate that most of our net assets will be used for acquisitions which will involve controlling equity interests in businesses, but we have acquired, and may acquire in the future, only debt and/or minority interests in certain businesses. If we do so, we will be subject to risk that such businesses may make business decisions with which we disagree, and the management of such businesses may take risks or otherwise act in ways that do not serve our best interests. As a result, such businesses may make decisions that could decrease the value of our assets. In addition, we will generally not be in a position to control any business by acquiring its debt securities.

We have also participated, and may participate in the future, in co-investment opportunities with affiliates of the Sub-Manager or with other third parties through partnerships, joint ventures or other entities, thereby acquiring jointly-controlled or non-controlling interests in businesses in conjunction with participation by one or more parties in such opportunity. As participants in such co-investment opportunities, we may have economic or other business interests or objectives that are inconsistent with those of our third-party partners or co-venturers. We may not have a right to participate in the operation, management, direction or control of such businesses, and our ability to redeem or sell all or a portion of our investment may be subject to significant restrictions. Furthermore, such co-investment opportunities may involve risks not present in acquisitions where a third party is not involved, including the possibility that we may incur liabilities as the result of actions taken by the controlling party and that a third-party partner or co-venturer may have financial difficulties and may have different liquidity objectives.

The credit ratings of certain of our assets may not be indicative of the actual credit risk of such rated instruments.

Rating agencies rate certain debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While we may give some consideration to ratings, ratings may not be indicative of the actual credit risk of our assets that are in rated instruments. In fact, most debt securities that we intend to acquire will not be rated by any rating agency and, if they were rated, they would most likely be rated as below investment grade quality. Debt securities rated below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower's capacity to pay interest and repay principal.

Subordinated liens on collateral securing debt that we may acquire in businesses may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain debt that we will acquire in businesses may be secured on a second priority basis by the same collateral securing senior debt of such businesses. The first priority liens on the collateral will secure the business's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by such business under the agreements governing the debt. In the event of a default, the holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the debt obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the debt obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the business's remaining assets, if any.

We may also acquire unsecured debt in businesses, meaning that such acquisitions will not benefit from any interest in collateral of such businesses. Liens on any such business's collateral, if any, will secure such business's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by such business under its secured debt agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured debt obligations after payment in full of all secured debt obligations. If such proceeds were not sufficient to repay the outstanding secured debt obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the business's remaining assets, if any.

The rights we may have with respect to the collateral securing the debt we acquire in businesses with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations

secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

There may be circumstances where the loans we make to businesses could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Although we intend to generally structure certain of our acquisitions as secured debt, if one of our businesses were to go bankrupt, depending on the facts and circumstances, including the extent to which we provided managerial assistance to such company or a representative of us or the Manager and the Sub-Manager sat on the board of directors of such company, a bankruptcy court might re-characterize our debt in a business and subordinate all or a portion of our claim to that of other creditors. In situations where a bankruptcy carries a high degree of political significance, our legal rights may be subordinated to other creditors.

In addition, a number of U.S. judicial decisions have upheld judgments obtained by borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or members. Because of the nature of our assets in businesses, we may be subject to allegations of lender liability.

Certain of our assets may be adversely affected by laws relating to fraudulent conveyance or voidable preferences.

Certain of our assets could be subject to federal bankruptcy law and state fraudulent transfer laws, which vary from state to state, if the debt obligations relating to such assets were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such debt obligations. If the debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the debt obligations was a fraudulent transfer or conveyance, the court could void or otherwise refuse to recognize the payment obligations under the debt obligations or the collateral supporting such obligations, further subordinate the debt obligations or the liens supporting such obligations to other existing and future indebtedness of the issuer or require us to repay any amounts received by us with respect to the debt obligations or collateral. In the event of a finding that a fraudulent transfer or conveyance occurred, we may not receive any repayment on the debt obligations.

Under certain circumstances, payments to us and distributions by us to our shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, assets involving restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

We may acquire various structured financial instruments for purposes of "hedging" or reducing our risks, which may be costly and ineffective and could reduce the cash available to service our debt or for distribution to our shareholders.

We may seek to hedge against interest rate and currency exchange rate fluctuations and credit risk by using structured financial instruments such as futures, options, swaps and forward contracts. Use of structured financial instruments for hedging purposes may present significant risks, including the risk of loss of the amounts invested. Defaults by the other party to a hedging transaction can result in losses in the hedging transaction. Hedging activities also involve the risk of an imperfect correlation between the hedging instrument and the asset being hedged, which could result in losses both on the hedging transaction and on the instrument being hedged. Use of hedging activities may not prevent significant losses and could increase our losses. Further, hedging transactions may reduce cash available to service our debt or pay distributions to our shareholders.

The downgrade of the U.S. credit rating could negatively impact our business, financial condition and results of operations.

U.S. debt ceiling and budget deficit concerns continue to present the possibility of a credit-rating downgrade, economic slowdowns, or a recession for the United States. The impact of any downgrades to the U.S. government's sovereign credit rating

could adversely affect the U.S. and global financial markets and economic conditions. These developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. Continued adverse economic conditions could have a material adverse effect on our business, financial condition and results of operations. Further, if key economic indicators, such as the unemployment rate or inflation, progress at a rate consistent with the Federal Reserve's objectives, the target range for the federal funds rate may increase and cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms.

To the extent that we borrow money, the potential for gain or loss on amounts invested in us will be magnified and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available to service our debt or for distribution to our shareholders, and result in losses.

The use of borrowings, also known as leverage, increases the volatility of investments by magnifying the potential for gain or loss on invested equity capital. If we use leverage to partially finance our acquisitions, through borrowing from banks and other lenders an investor will experience increased risks of investing in our securities. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would if we had not borrowed and employed leverage. Similarly, any decrease in our income would cause net income to decline more sharply than it would have if we had not borrowed and employed leverage. Such a decline could negatively affect our ability to service our debt or make distributions to our shareholders. In addition, our shareholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the management or incentive fees payable to the Manager and the Sub-Manager. Additionally, to the extent we use borrowings to finance a portion of the acquisition price of assets, we would make such acquisitions through corporate subsidiaries taxed at U.S. federal corporate tax rates, which may increase tax expenses.

The amount of leverage that we employ will depend on the Manager's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. There can be no assurance that leveraged financing will be available to us on favorable terms or at all. However, to the extent that we use leverage to finance our assets, our financing costs will be borne solely by our shareholders and will reduce cash available for distributions to our shareholders. Moreover, we may not be able to meet our financing obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations. In such an event, we may be forced to sell assets at significantly depressed prices due to market conditions or otherwise, which may result in losses.

Future litigation or administrative proceedings could have a material adverse effect on our business, financial condition and results of operations.

We may become involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. In defending ourselves in these proceedings, we may incur significant expenses in legal fees and other related expenses, regardless of the outcome of such proceedings. Unfavorable outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, financial condition and results of operations. In addition, settlement of claims could adversely affect our financial condition and results of operations.

We could be negatively impacted by cybersecurity attacks.

We, and our businesses, as well as the Manager and the Sub-Manager, may use a variety of information technology systems in the ordinary course of business, which are potentially vulnerable to unauthorized access, computer viruses and cyber attacks, including cyber attacks to our information technology infrastructure and attempts by others to gain access to our propriety or sensitive information, and ranging from individual attempts to advanced persistent threats. The risk of such a security breach or disruption has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and will likely continue to increase in the future. The use by bad actors of artificial intelligence technologies, which are becoming more widely adopted and increasingly sophisticated, may intensify such risks. The procedures and controls we use to monitor these threats and mitigate our exposure may not be sufficient to prevent cyber security incidents. The results of these incidents could include disrupted operations, misstated or unreliable financial data, theft of trade secrets or other intellectual property, liability for disclosure of confidential customer, supplier or employee information, increased costs arising from the implementation of additional security protective measures, regulatory enforcement litigation and reputational damage, which could materially adversely affect our financial condition, business and results of operations. These risks require continuous and likely increasing attention and other resources from us to, among other actions, identify and quantify these risks, upgrade and expand our technologies, systems and processes to adequately address them and provide periodic training for the Manager's employees to assist them in detecting phishing, malware and other schemes. Such attention diverts time and other resources from other activities and there is no assurance that our efforts will be effective. Additionally, the cost of maintaining and improving such systems and processes, procedures and internal controls may increase from its current level. Potential sources for disruption, damage or failure of our information technology systems include, without limitation, computer viruses, security breaches, human error, cyber-attacks, natural disasters and defects in design. Additionally, due to the size and nature of our company, we rely on third-party service providers for many aspects of our business. We can provide no assurance that the networks and systems that our third-party vendors have established or use will be effective. Even if we, our businesses, the Manager or the Sub-Manager are not targeted directly, cyberattacks on the U.S. and foreign governments, financial markets, financial institutions, or other businesses, including vendors, software creators, cybersecurity service providers, and other third parties with whom we, our businesses, the Manager or the Sub-Manager do business, may occur, and such events could disrupt our normal business operations and networks in the future.

Technological developments in artificial intelligence could disrupt the markets in which we and our businesses operate and subject us and our businesses to increased competition, legal and regulatory risks and compliance costs.

Technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence, and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, are rapidly evolving. The full extent of current or future risks related thereto is not possible to predict. Artificial intelligence could significantly disrupt the markets in which we and our businesses operate and subject us and our businesses to increased competition, legal and regulatory risks and compliance costs, which could have a material adverse effect on our business, financial condition and results of operations.

We intend to seek to avail ourselves of the potential benefits that are available through artificial intelligence technologies, which present a number of potential risks. Data that artificial intelligence applications utilize are likely to contain a degree of inaccuracy and error, which could result in flawed algorithms. This could reduce the effectiveness of artificial intelligence technologies and adversely impact us and our operations or our businesses and their operations to the extent we or they rely on the work product of such technology in our or their operations. There is also a risk that artificial intelligence tools or applications may be misused or misappropriated by third parties engaged by us or our businesses. For example, a user may input confidential information, including material non-public information or personal identifiable information, into artificial intelligence technologies, resulting in such information becoming part of a dataset that is accessible by third-party artificial intelligence applications and users, including competitors. Such actions could subject us to legal and regulatory investigations and/or actions. Further, we may not be able to control how third-party artificial intelligence technologies that we choose to use are developed or maintained, or how data we input is used or disclosed, even where we have sought contractual protections with respect to these matters. The misuse or misappropriation of our data could have an adverse impact on our reputation and could subject us to legal and regulatory investigations and/or actions.

Regulations related to artificial intelligence may also impose on us certain obligations and costs related to monitoring and compliance.

We, and our businesses, are subject to a variety of federal, state and international laws and other obligations regarding data protection.

We, and our businesses, are subject to a variety of federal, state and international laws and other obligations regarding data protection. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing domestic and international requirements may cause us or our businesses to incur substantial costs or require us or one of our businesses to change its business practices. Any failure by us or one of our businesses to comply with its own privacy policy, applicable association rules, or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us or one of our businesses by governmental entities or others.

We may acquire interests in joint ventures, which creates additional risk because, among other things, we cannot exercise sole decision making power and our partners may have different economic interests than we have.

We may acquire interests in joint ventures with third parties. There are additional risks involved in joint venture transactions. As a co-investor in a joint venture, we may not be in a position to exercise sole decision-making authority relating to the joint venture or other entity. As a result, the operations of the joint venture may be subject to the risk that third parties may make business, financial or management decisions with which we do not agree or the management of the joint venture may take risks or otherwise act in a manner that does not serve our interests. Further, there may be a potential risk of impasse in some business decisions because we may not be in a position to exercise sole decision-making authority. In such situations, it is possible that we may not be able to exit the relationship because we may not have the funds necessary to complete a buy-out of the other partner or it may be difficult to locate a third-party purchaser for our interest. Because we may not have the ability to exercise control over such operations, we may not be able to realize some or all of the benefits that we believe will be created from our involvement. In addition, there is the potential of our joint venture partner becoming bankrupt and the possibility of diverging or inconsistent economic or business interests of us and our partner. These diverging interests could result in, among other things, exposing us to liabilities of the joint venture in excess of our proportionate share of these liabilities. If any of the foregoing were to occur, our business, financial condition and results of operations could suffer as a result.

A significant portion of our assets are recorded at fair value as determined in good faith by our board of directors, with assistance from the Manager and the Sub-Manager and, as a result, there will be uncertainty as to the value of our assets.

Our financial statements are prepared using the specialized accounting principles of Accounting Standards Codification Topic 946, Financial Services-Investment Companies, or ASC Topic 946, which requires us to carry our assets at fair value or, if fair value is not determinable based on transactions observable in the market, at fair value as determined by our board of directors. For most of our assets, market prices are not readily available. As a result, we value these assets monthly at fair value as determined in good faith by our board of directors based on input from the Manager, the Sub-Manager and the independent valuation firm.

Our board of directors is ultimately responsible for the determination, in good faith, of the fair value of our assets. The determination of fair value is subjective, and the Manager and the Sub-Manager have a conflict of interest in assisting our board of directors in making this determination. Our board of directors, including a majority of our independent directors and our audit committee, has adopted a valuation policy that provides for the methodologies to be used to estimate the fair value of our assets for purposes of our net asset value calculation. Our board of directors makes this determination on a monthly basis and any other time when a decision is required regarding the fair value of our assets. Our board of directors has retained an independent valuation firm to assist the Manager and the Sub-Manager in preparing their recommendations with respect to our board of directors' determination of the fair values of assets for which market prices are not readily available. Additionally, our independent auditor has identified the valuation of investments using significant unobservable inputs and assumptions as a critical audit matter for us. A critical audit matter is one which is communicated to the audit committee and that: (i) relates to accounts or disclosures that are material to the financial statements and (ii) involves challenging, subjective or complex judgments by the independent auditor. Please see "Critical Audit Matter – Valuation of investments using significant unobservable inputs and assumptions" in the independent auditor's report included in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information and to review how this was most recently addressed.

Accounting Standards Codification Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued at the highest level as "Level 3" assets. As of December 31, 2025, the fair value of the company's investments categorized as Level 3 investments within the fair value hierarchy constituted approximately 99.0% of our total assets. The types of factors that may be considered in determining the fair values of our assets include available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the business's ability to make payments, its earnings and discounted cash flows, the markets in which the company does business, comparisons of financial ratios of peer business entities that are public, mergers and acquisitions comparables, the principal market and enterprise values, among other factors. Because such valuations, and particularly valuations of private companies, are inherently uncertain, the valuations may fluctuate significantly over short periods of time due to changes in current market conditions. The determinations of fair value by our board of directors may differ materially from the values that would have been used if an active market and market prices existed for these assets. Our net asset value could be adversely affected if the determinations regarding the fair value of our assets were materially higher than the values that we ultimately realize upon the disposal of such assets.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including, but not limited to, our ability to consummate transactions, the terms of any transactions that we complete, variations in the earnings and/or distributions paid by the businesses we make capital contributions and loans to, variations in the interest rates on loans we make, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We may experience fluctuations in our operating expenses.

We could experience fluctuations in our operating expenses due to a number of factors, including, but not limited to, changes in inflation and the flow on effects on prices generally, the terms of any transactions that we complete, changes in operating conditions, changes to our operating environment, changes in the perception of risk associated with operating these assets. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We will be exposed to risks associated with changes in interest rates.

To the extent we borrow to finance our assets, we will be subject to financial market risks, including changes in interest rates. Although interest rates have begun to subside, we cannot predict with certainty any future action that the U.S. Federal Reserve and/or any other global central bank may take with respect to interest rates.

When we borrow, our net income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we employ those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net income. In periods of rising interest rates when we have floating-rate debt outstanding, our cost of funds may increase, which could reduce our net income. We expect that our long-term fixed-rate investments will be financed primarily with equity and long-term debt. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. These techniques may include borrowing at fixed rates or various interest rate hedging activities. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Tax

Shareholders may realize taxable income without cash distributions, and may have to use funds from other sources to fund tax liabilities.

Because we intend to continue to be taxed as a partnership for U.S. federal income tax purposes, shareholders may realize taxable income in excess of cash distributions by us. There can be no assurance that we will pay distributions at a specific rate or at all.

As a result, shareholders may have to use funds from other sources to pay their tax liability.

In addition, the per share amount of distributions on Class A, Class S, Class FA, Class T, Class D and Class I shares may differ because of different allocations of certain class-specific expenses. For example, the payment of the distribution and shareholder servicing fees over time with respect to the Class T and Class D shares will be paid from cash distributions that would otherwise be distributable to the shareholders of Class T and Class D shares. Accordingly, the Class T and Class D shareholders will receive a lower cash distribution than the Class FA, Class A, Class I and Class S shareholders as a result of economically bearing our obligation to pay such fees. Additionally, since the management and incentive fees for the Non-founder shares are higher than the management and incentive fees for the Class FA shares, the non-founder shares NAV will be less than the Class FA shares NAV as a result of economically bearing a greater proportionate share of our obligation to pay such fees. The payment of such fees and any other class-specific expenses will be specially allocated to the class of shares that are bearing these fees. Some shareholders will not be able to deduct these fees for tax purposes, which may result in shareholders' taxable income from the company exceeding the amount of cash distributions made to such shareholders.

If we were to become taxable as a corporation for U.S. federal income tax purposes, we would be required to pay income tax at corporate rates on our net income and would reduce the amount of cash available for distributions to our shareholders. Such distributions, if any, by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits.

Under Section 7704 of the Code, unless certain exceptions apply, a publicly traded partnership is generally treated and taxed as a corporation, and not as a partnership, for U.S. federal income tax purposes. A partnership is a publicly traded partnership if (i) interests in the partnership are traded on an established securities market or (ii) interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof. Applicable Treasury regulations (the "Section 7704 Regulations") provide guidance with respect to such classification standards, and create certain safe harbor standards which, if satisfied, generally preclude classification as a publicly traded partnership. Failure to satisfy a safe harbor provision under the Section 7704 Regulations will not cause an entity to be treated as a publicly traded partnership if, taking into account all facts and circumstances, the partners are not readily able to buy, sell or exchange their interests in a manner that is comparable, economically, to trading on an established securities market.

While it is expected that we will operate so that we will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation, given the highly complex nature of the rules governing partnerships, the ongoing importance of factual determinations, the lack of direct guidance with respect to the application of tax laws to the activities we are undertaking and the possibility of future changes in our circumstances, it is possible that we will not qualify to be taxable as a partnership for any particular year. Our shares will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Our LLC Agreement provides for certain restrictions on transferability and on our ability to repurchase shares intended to ensure that we qualify as a partnership for U.S. federal income tax purposes and that we are not taxable as a publicly traded partnership. Under our LLC Agreement, prior to a listing of our shares on a national securities exchange, no transfer (including any share repurchase) of an interest may be made if it would result in our being treated as a publicly traded partnership. In addition, we may, without the consent of any shareholder, amend our LLC Agreement in order to improve, upon advice of counsel, our position in avoiding such publicly traded partnership status (and we may impose time-delay and other restrictions on recognizing transfers (including any share repurchases) as necessary to do so).

If we were treated as a publicly traded partnership for U.S. federal income tax purposes, we would nonetheless remain taxable as a partnership if 90% or more of our income for each taxable year in which we were a publicly traded partnership consisted of "qualifying income" and we were not required to register under the Investment Company Act (the "qualifying income exception"). Qualifying income generally includes interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items. Although there is no direct authority regarding whether activities similar to those conducted by us could be treated as a financial business for this purpose, the Internal Revenue Service, or the IRS, has issued private letter rulings to the effect that interest income on loans not made to customers in connection with a banking or other financing business is qualifying income for purposes of the publicly traded partnership rules. These private letter rulings are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings and address only the specific facts presented by the requesting taxpayer; however, such authority nonetheless provides

valuable indications of the IRS's views on specific issues. In addition, to the extent that we invest in levered loans through "controlled foreign corporations" (each, a "CFC"), we intend to currently distribute any Subpart F inclusions and treat such Subpart F inclusions as qualifying income for purposes of the qualifying income exception. Since our gross income will largely consist of dividend and interest income from our subsidiaries, we expect to satisfy the qualifying income exception. However, no assurance can be given that the actual results of our operations for any taxable year will satisfy the qualifying income exception.

If, for any reason, we become taxable as a corporation for U.S. federal income tax purposes, our items of income and deduction would not pass through to our shareholders and our shareholders would be treated for U.S. federal income tax purposes as shareholders in a corporation. We would be required to pay income tax at corporate rates on our net income. Distributions by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits, and the payment of these distributions would not be deductible by us. Our failure to qualify as a partnership for U.S. federal income tax purposes could have a material adverse effect on us, our shareholders and the value of the shares.

The IRS could adjust or reallocate items of income, gain, deduction, loss and credit with respect to the shares if the IRS does not accept the assumptions or conventions utilized by us.

Although we are not a publicly traded partnership, given the large number of investors invested in us, we are applying conventions relevant to publicly traded partnerships. U.S. federal income tax rules applicable to partnerships are complex and their application is not always clear. We apply certain assumptions and conventions intended to comply with the intent of the rules and report income, gain, deduction, loss and credit to shareholders in a manner that reflects each shareholder's economic gains and losses, but these assumptions and conventions may not comply with all aspects of the applicable rules. It is possible therefore that the IRS will successfully assert that these assumptions or conventions do not satisfy the technical requirements of the Code or the Treasury regulations promulgated thereunder and will require that items of income, gain, deduction, loss and credit be adjusted or reallocated in a manner that could be adverse to shareholders.

Changes in tax laws and regulations may have a materially adverse effect on our business, financial condition and result of operations and have a negative impact on our shareholders.

The present U.S. federal income tax treatment of an investment in our shares may be modified by administrative, legislative or judicial interpretation at any time, and any such action may affect investments and commitments previously made. No assurance can be given as to whether, when, or in what form, the U.S. federal and state income tax laws applicable to us and our shareholders may be enacted. Prospective investors should consult their tax advisors regarding the potential changes in tax laws.

Interest deductions on loans made to our subsidiaries may be limited, which could result in adverse tax consequences.

Our debt investments in our subsidiaries are intended to be treated as indebtedness for U.S. federal income tax purposes. If the IRS successfully recharacterized any of such debt investments as equity for U.S. federal income tax purposes, payments of interest with respect to such debt investment may be recharacterized as a dividend and would not be deductible by our subsidiary in computing its taxable income, resulting in the subsidiary potentially being subject to additional U.S. federal income tax. Even to the extent the debt investments are respected as indebtedness for U.S. federal income tax purposes, the deduction for interest payments by each of our subsidiaries with respect to such debt investments for any taxable year is generally limited to the sum of (i) such subsidiary's business interest income and (ii) 30% of the subsidiary's "adjusted taxable income", unless the subsidiary is an electing real property trade or business. To the extent interest deductions by our subsidiaries are limited, it could increase the U.S. federal income tax liability of our subsidiaries, reducing the amount of cash available for distribution to us, and, as a result, to our shareholders.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We have no employees and are externally managed by the Manager, an affiliate of the Sponsor. The Manager is responsible for the overall management of our activities, subject to oversight by our board of directors.

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things: operational risks, intellectual property theft, fraud, extortion, harm to customers, reputational damage adversely affecting customer or investor confidence and violation of data privacy or security laws. Our Sponsor maintains an enterprise-wide cybersecurity program to protect and defend against and manage foreseeable cybersecurity risks and threats, including for the Company. The cybersecurity program is administered by the Sponsor's Chief Technology Officer ("CTO"), who has adopted the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. Based on the NIST standards, our cybersecurity program breaks down its efforts to manage cybersecurity risk into five (5) pillars: identify, protect, detect, respond and recover.

Identifying and assessing cybersecurity risk as well as protecting us and our businesses from such risk is integrated into our overall risk management systems and processes as well as specifically addressed in our enterprise-wide cybersecurity program. Cybersecurity risks related to our business, technical operations, privacy and compliance issues are identified and addressed through a multi-faceted approach including threat intelligence collaboration and advisory mediums, third-party due diligence and risk assessments when determining the selection, oversight and engagement of third-party service providers, application security evaluations and annual penetration tests as well as management risk and compliance reviews. The foregoing combines with periodic review and analysis of third-party service provider system and organizational controls, internal network intrusion prevention systems, vulnerability assessments, access management, data loss prevention, remote access control, mandatory cybersecurity awareness training and random phishing campaigns with additional requisite training, if applicable, to identify and protect against cybersecurity risk.

Any potential cybersecurity compromise, whether direct or indirect, is analyzed and documented by the securities operations team (the "SO Team") and escalated to the cybersecurity incident response team ("CSIRT") as necessary. The SO Team is comprised of cybersecurity professionals and the CSIRT is comprised of certain of the Sponsor's and Company's executives from legal, corporate communications, IT, compliance, finance, and risk management.

Security events and data incidents are evaluated, ranked by severity and prioritized for response and remediation. Incidents are evaluated to determine materiality as well as operational and business impact and reviewed for privacy impact. Materiality is determined by considering qualitative and quantitative factors. The CSIRT team also conducts tabletop exercises to simulate responses to cybersecurity incidents. The Sponsor's team of cybersecurity professionals then collaborate with technical and business stakeholders across our business units to further analyze the risk to the company, and form detection, mitigation and remediation strategies.

Recovery and restoration from a cybersecurity incident can vary depending on type of attack and materiality of assets and information affected.

As of the date of this filing, we do not believe that our business strategy, results of operations or financial conditions have been materially affected by any risks from cybersecurity threats for the reporting period covered by this report. However, institutions like us, and our service providers, have experienced cybersecurity events and data incidents in the past and will likely continue to be the target of cyberattacks and intrusions. For additional information on the cybersecurity risks we face, see "Part 1, Item 1A. Risk Factors–Risks Related to Our Business—We could be negatively impacted by cybersecurity attacks."

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes and an area of focus for our board of directors and management. Our audit committee is responsible for the oversight of risks from cybersecurity threats. Members of the audit committee receive updates at least annually from senior management, including leaders from the CTO, internal audit and legal teams regarding matters of cybersecurity. This includes existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any) and status on key information security

initiatives. Our board of directors also engage in ad hoc conversations with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs.

The cybersecurity risk management and strategy processes are overseen by the Sponsor's cybersecurity committee which consists of the Company's chief financial officer and general counsel, and the CTO, legal, risk management, and compliance teams. Such individuals have an average of over 15 years of prior work experience in various roles involving information technology, including security, auditing, and compliance. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan, and report to the audit committee on any appropriate items.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. We believe that the office facilities of the Manager and Sub-Manager are suitable and adequate for our business as it is contemplated to be conducted.

Item 3. Legal Proceedings

From time to time, we may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our businesses. In addition, our business and the businesses of the Manager, the Sub-Manager and the Managing Dealer are subject to extensive regulation, which may result in regulatory proceedings. Legal proceedings, lawsuits, claims and regulatory proceedings are subject to many uncertainties and their ultimate outcomes are not predictable with assurance.

As of December 31, 2025, we were not involved in any legal proceedings. Additionally, there is no action, suit or proceeding pending before any court, or, to our knowledge, threatened by any regulatory agency or other third party, against the Manager, the Sub-Manager or the Managing Dealer that would have a material adverse effect on us.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

There is no established public trading market for our common shares, therefore, there is a risk that a shareholder may not be able to sell our shares at a time or price acceptable to the shareholder, or at all. Unless and until our shares are listed on a national securities exchange, it is not expected that a public market for the shares will develop.

For the period from January 1, 2024 through December 31, 2025, we sold shares on a continuous basis at the following prices through the Public Offerings:

Effective Date [1]	Public Offering Price per Share			
	Class A	Class T	Class D	Class I
1/31/2024	$ 36.69	$ 35.32	$ 33.31	$ 34.06
2/29/2024	36.66	35.28	33.28	34.02
3/28/2024	36.78	35.38	33.38	34.13
4/30/2024	37.09	35.69	33.68	34.44
5/31/2024	37.08	35.71	33.67	34.44
6/28/2024	37.10	35.80	33.73	34.47
7/31/2024	37.58	36.16	34.15	34.89
8/30/2024	37.50	36.07	34.06	34.82
9/30/2024	37.60	36.16	34.14	34.90
10/31/2024	38.01	36.57	34.53	35.26
11/27/2024	38.15	36.70	34.65	35.39
12/31/2024	38.51	37.04	34.97	35.78

Effective Date [1]	Public Offering Price per Share			
	Class A	Class T	Class D	Class I
1/31/2025	$ 38.99	$ 37.50	$ 35.42	$ 36.12
2/27/2025	38.89	37.39	35.32	36.01
3/27/2025	39.14	37.62	35.54	36.23
4/30/2025	39.26	37.73	35.65	36.34
5/29/2025	39.73	38.14	36.08	36.83
6/30/2025	39.92	38.30	36.25	37.01
7/31/2025	40.28	38.62	36.58	37.35
8/31/2025	40.79	39.09	37.03	37.82
9/30/2025	40.96	39.23	37.19	37.98
10/31/2025	40.99	39.33	37.24	37.96
11/26/2025	41.18	39.51	37.41	38.19
12/31/2025	41.45	39.70	37.63	38.45

FOOTNOTE:

(1) Subscriptions are held in escrow until accepted by us.

Unregistered Sales of Equity Securities

None.

Repurchase of Shares and Issuer Purchases of Equity Securities

In March 2019, our board of directors approved and adopted a share repurchase program, as further amended and restated in January 2020, June 2021, February 2023 and October 2024 (the "Share Repurchase Program"). The total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares will be limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). Notwithstanding the foregoing, at the sole discretion of our board of directors, we may also use other sources, including, but not limited to, offering proceeds and borrowings to repurchase shares. Our board of directors, in its sole discretion, may amend or suspend the Share Repurchase Program or waive any of its specific conditions to the extent it is in our best interest, including to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

During the quarter ended December 31, 2025, we repurchased the following shares (in thousands except per share data):

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Value of Shares That May Yet Be Purchased Under the Plan[1]
October 1, 2025 to October 31, 2025	—	$ —	—	$ 35,517

November 1, 2025 to November 30, 2025	—	—	—	35,517
December 1, 2025 to December 31, 2025	716	39.20	716	7,460

FOOTNOTE:

(1) During the quarter ended December 31, 2025, we received requests for the repurchase of approximately $28.1 million of our common shares. Our board of directors approved the repurchase requests.

Holders

As of December 31, 2025, we had the following number of record holders of our common shares:

Share Class	Number of Shareholders
FA	673
A	4,090
T	1,261
D	1,470
I	7,309
S	692

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Performance Graph

Not applicable.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the

numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the year ended December 31, 2025, approximately 787,000 Class T shares were converted to approximately 786,000 Class A shares at an average conversion rate of 1.00. During the year ended December 31, 2024, approximately 368,000 Class T shares were converted to approximately 368,000 Class A shares at an average conversion rate of 1.00.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with our financial statements and related notes thereto appearing elsewhere in this annual report on Form 10-K (this "Annual Report"). In this Annual Report "we," "our," "us," and "our company" refer to CNL Strategic Capital, LLC. Capitalized terms used in this Item 7. have the same meaning as in Item 1. "Business" unless otherwise defined herein. The discussion of our financial condition and results of operations for the year ended December 31, 2023 included in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed on March 31, 2025 is incorporated by reference herein.

Overview

Since we commenced operations on February 7, 2018 through March 19, 2026, we have acquired equity and debt investments in 18 middle market U.S. businesses and disposed of our equity and debt investments in one middle market U.S. business. We have additionally acquired equity and debt investments in one global business. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of March 19, 2026, we had eleven investments structured as controlling equity interests in combination with debt positions, seven investments structured as minority equity interests in combination with debt positions. All of our debt investments were current as of December 31, 2025. See "Portfolio and Investment Activity" below for additional information related to our investments.

See Item 1. "Business" for additional information regarding our Manager, Sub-Manager and business objectives.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced the Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, of our shares, upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement filed with the SEC. Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated.

Through December 31, 2025, we had received net proceeds from the Public Offerings of approximately $1.1 billion, including approximately $68.1 million received through our distribution reinvestment plan. We incurred selling commissions and dealer manager fees of approximately $15.1 million from the sale of Class A shares and Class T shares in the Public Offerings through December 31, 2025. The Class D shares and Class I shares sold through December 31, 2025 were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for organization and offering costs of approximately $13.6 million based on actual amounts raised through the Public Offerings through December 31, 2025. These organization and offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data."

We are currently offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, "Non-founder shares") through the Second Follow-On Public Offering. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding shares sold pursuant to our distribution reinvestment plan).

As of December 31, 2025, the public offering price was $41.45 per Class A share, $39.70 per Class T share, $37.63 per Class D share and $38.45 per Class I share. In January, February and March 2026, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of January 30, 2026, February 27, 2026 and March 31, 2026, respectively. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective January 30, 2026:				
Public Offering Price, Per Share	$ 41.76	$ 40.05	$ 37.94	$ 38.64
Selling Commissions, Per Share	2.51	1.20	—	—
Dealer Manager Fees, Per Share	1.04	0.70	—	—
Effective February 27, 2026:				
Public Offering Price, Per Share	$ 41.84	$ 40.10	$ 38.00	$ 38.70
Selling Commissions, Per Share	2.51	1.20	—	—
Dealer Manager Fees, Per Share	1.05	0.70	—	—
Effective March 31, 2026:				
Public Offering Price, Per Share	$ 41.93	$ 40.20	$ 38.09	$ 38.79
Selling Commissions, Per Share	2.52	1.21	—	—
Dealer Manager Fees, Per Share	1.04	0.70	—	—

See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" in Item 8. "Financial Statements and Supplementary Data" for additional information regarding the Second Follow-On Public Offering.

Portfolio and Investment Activity

As of December 31, 2025, we held investments in 18 portfolio companies, consisting of equity investments and debt investments. The table below presents our portfolio company investments (in millions):

		As of December 31, 2025						
		Common Equity Investments		Debt and Preferred Equity Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Type	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis [2]
Lawn Doctor	2/7/2018	61%	$ 27.6	Second Lien	16.0%	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2028	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	8.9	Second Lien	15.0	12/19/2030	3.4	12.3
Resolution Economics	1/2/2020	8	7.6	Second Lien	15.0	12/30/2027	2.8	10.4
Blue Ridge	3/24/2020	16	8.1	Second Lien	15.0	12/28/2029	2.6	10.7
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Clarion	12/9/2021	95	70.3	First Lien	15.0	12/9/2028	22.5	92.8
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	06/30/23	—	—	Secured	[3]	5/6/2029	24.4	24.4
TacMed	03/24/23	95	76.7	Secured	16.0	3/24/2030	29.0	105.7
Sill	10/20/23	93	96.3	Secured	14.0	10/20/2030	15.9	112.2
USA Water	2/21/2024	5	8.6	Second Lien	16.0	8/20/2031	1.4	10.0
LBR	6/17/2024	8	0.1	PIK Notes/Preferred Equity	3.84% PIK[4]	5/17/2039	95.9	96.0
MAP	7/18/2024	57	61.4	First Lien	15.0	7/18/2031	15.0	76.4
IFPG	6/23/2025	91	90.5	Secured	15.0	6/23/2032	27.5	118.0
Shipley	9/25/2025	3	6.8	Second Lien	16.0	1/24/2033	0.7	7.5
USA Industries	12/11/2025	4	4.2	Second Lien	16.0	6/9/2033	0.8	5.0
			$ 627.5				$ 402.0	$ 1,029.5

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of December 31, 2025, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Consolidated Schedules of Investments and Note 3. “Investments” of Item 8. “Financial Statements and Supplementary Data” for additional information related to our investments, including fair values as of December 31, 2025.

(3) As of December 31, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of 1 month SOFR + 4.60%. 1 month SOFR at December 31, 2025 was 3.79%.

(4) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance. PIK Notes accrue income at a per annum rate of 3.84%. Preferred Equity includes three tranches (1) A2, (2), B2 and (3) B3 which accrue PIK income at a per annum rate of 8.16%, 8.5%and 12.0%, respectively.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders.

Our Portfolio Companies

The below information regarding our portfolio companies contain a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other financial measures determined in accordance with GAAP. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentations of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as supplemental measures.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

Lawn Doctor, Inc. ("Lawn Doctor") is a leading franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn

Doctor is not involved in other lawn maintenance services, such as mowing, edging and leaf blowing. Lawn Doctor has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, Lawn Doctor had total assets of approximately $97.9 million and $98.7 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	**2024**
Revenues	$ 47,833	$ 45,264
Net income (GAAP)	$ 3,770	$ 3,388
Interest and debt related expenses	5,720	5,900
Depreciation and amortization	2,653	2,614
Income tax expense	1,608	1,479
Adjusted EBITDA (non-GAAP)	$ 13,751	$ 13,381
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 8,388*	*$ 8,095*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 61% of Lawn Doctor.

Polyform

Polyform Products Company, Inc. ("Polyform"), is a leading developer, manufacturer and marketer of polymer clay products worldwide. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers.

As of December 31, 2025 and 2024, Polyform had total assets of approximately $30.4 million and $31.7 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of Polyform for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	**2024**
Revenues	$ 19,589	$ 18,951
Net loss (GAAP)	$ (196)	$ (463)
Interest and debt related expenses	2,919	2,918
Depreciation and amortization	1,873	1,863
Income tax benefit	(62)	(148)
Adjusted EBITDA (non-GAAP)	$ 4,534	$ 4,170
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 3,949*	*$ 3,632*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 87% of Polyform.

Roundtables

Auriemma U.S. Roundtables ("Roundtables") is an information services and advisory solutions business to the consumer finance industry. Roundtables has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, Roundtables had total assets of approximately $58.1 million and $59.5 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Roundtables for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Revenues	$ 19,742	$ 17,890
Net income (GAAP)	$ 1,638	$ 1,353
Interest and debt related expenses	2,430	2,510
Depreciation and amortization	2,080	2,087
Income tax expense	633	329
Adjusted EBITDA (non-GAAP)	$ 6,781	$ 6,279
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 5,476*	*$ 5,071*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 81% of Roundtables.

HSH

Healthcare Safety Holdings, LLC ("HSH") is a leading producer of daily use insulin pen needles, syringes and complementary offerings for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps.

As of December 31, 2025 and 2024, HSH had total assets of approximately $40.6 million and $42.4 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of HSH for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Revenues	$ 39,613	$ 35,002
Net income (GAAP)	$ 3,338	$ 2,515
Interest and debt related expenses	3,637	3,725
Depreciation and amortization	2,842	2,921
Income tax expense	990	722
Adjusted EBITDA (non-GAAP)	$ 10,807	$ 9,883
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 8,052*	*$ 7,364*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 75% of HSH.

ATA

ATA National Title Group, LLC ("ATA") is a leading national independent title agency and settlement service provider for the residential resale, residential refinance, commercial and default markets in the Great Lakes Region. Its brands include ATA National Title Group, Greco Title Agency, Midstate Title Agency, Seaver Title Agency and Talon Title Agency. ATA has completed a strategic acquisition since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, ATA had total assets of approximately $83.8 million and $86.7 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income (loss) of ATA for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Revenues	$ 57,834	$ 52,070
Net income (loss) (GAAP)	$ 209	$ (2,377)
Interest and debt related expenses	5,905	5,870
Depreciation and amortization	4,197	4,302
Adjusted EBITDA (non-GAAP)	$ 10,311	$ 7,795
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 7,733*	*$ 5,846*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 75% of ATA.

Douglas

Douglas Machines Corp. ("Douglas") is a leading manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations.

On August 1, 2025, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. ("Douglas") to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full.

Clarion

Clarion Safety Holdings, LLC ("Clarion") is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely on Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. Clarion has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, Clarion had total assets of approximately $99.0 million and $81.3 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Clarion for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Revenues	$ 32,508	$ 17,574
Net income (GAAP)	$ 1,600	$ 462
Interest, net and debt related expenses	3,214	3,331
Depreciation and amortization	1,712	1,026
Income tax expense	626	187
Adjusted EBITDA (non-GAAP)	$ 7,152	$ 5,006
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 6,787*	*$ 4,819*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 95% and

96%, respectively, of Clarion.

Vektek

Vektek Holdings, LLC ("Vektek") designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. A market leader in high-pressure hydraulic clamps, Vektek products are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace.

As of December 31, 2025 and 2024, Vektek had total assets of approximately $107.9 million and $110.1 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Vektek for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	**2024**
Revenues	$ 35,264	$ 35,260
Net income (GAAP)	$ 1,617	$ 387
Interest and debt related expenses	6,027	6,333
Depreciation and amortization	3,651	3,638
Income tax expense	47	16
Adjusted EBITDA (non-GAAP)	$ 11,342	$ 10,374
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 9,496*	*$ 8,685*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 84% of Vektek.

TacMed

Tacmed Holdings, LLC ("TacMed") designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed's suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed's medical simulation training solutions combine advanced technology and durable materials to offer customers the highest fidelity training simulators and provide realistic replicas for emergency medical personnel training exercises. TacMed has completed a strategic acquisition since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, TacMed had total assets of approximately $106.4 million and $111.3 million. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of TacMed for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	**2024**
Revenues	$ 45,733	$ 47,239
Net loss (GAAP)	$ (2,488)	$ (1,460)
Interest and debt related expenses	4,731	4,773
Depreciation and amortization	5,317	5,452
Income tax benefit	(437)	(417)
Transaction related expenses[(1)]	—	45
Adjusted EBITDA (non-GAAP)	$ 7,123	$ 8,393
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(2)]	*$ 6,794*	*$ 8,014*

FOOTNOTES:

(1) Initial buyer transaction costs paid by TacMed included in the purchase price. Transaction related expenses are non-recurring.

(2) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 95% of TacMed.

Sill

Sill Holdings, LLC ("Sill") is among the leading specialty insurance consulting firms exclusively representing business and property owners in connection with their property insurance claims. Sill focuses on providing expert claim preparation, management and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Sill has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, Sill had total assets of approximately $123.1 million and $120.0 million. The following tables reconcile our proportionate share of Adjusted EBITDA from net income (loss) of Sill for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	**2024**
Revenues	$ 41,270	$ 22,311
Net income (loss) (GAAP)	$ 3,237	$ (1,397)
Interest and debt related expenses	2,274	2,297
Depreciation and amortization	3,558	2,736
Income tax expense	664	911
Adjusted EBITDA (non-GAAP)	$ 9,733	$ 4,547
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 9,096*	*$ 4,242*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 93% of Sill.

MAP

Madison Retirement Holdings TopCo, LLC ("MAP") is a third-party administrator of retirement plans. Servicing small and mid-size businesses across all 50 states, MAP provides customer with plan design and implementation, plan administration, compliance, fiduciary services and customer support to approximately 10,000 plans. Established in 1993, MAP has over 200 employees and is headquartered in Appleton, WI. MAP has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025 and 2024, MAP had total assets of approximately $132.9 million and $122.7 million. The following table reconciles our proportionate share of Adjusted EBITDA of MAP from net loss for the year ended December 31, 2025 and period from July 18, 2024 (the date we acquired our investment in MAP) to December 31, 2024 (in thousands):

	Years Ended December 31,	
	2025	2024[1]
Revenues	$ 44,354	$ 8,418
Net loss (GAAP)	$ (3,580)	$ (4,994)
Interest and debt related expenses	2,717	748
Depreciation and amortization	6,286	1,481
Income tax expense	152	—
Transaction related expenses[2]	—	1,412
Adjusted EBITDA (non-GAAP)	$ 5,575	$ (1,353)
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[3]	*$ 3,192*	*$ (771)*

FOOTNOTES:

(1) Results are for the period from July 18, 2024 (the date we acquired our investment in MAP) to December 31, 2024.

(2) Initial buyer transaction costs paid by MAP included in the purchase price. Transaction related expenses are non-recurring.

(3) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025 and 2024, we owned approximately 57% of MAP.

IFPG

International Franchise Professionals Group ("IFPG") is a membership-based organization serving more than 1,300 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. IFPG has completed a strategic acquisition since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

As of December 31, 2025, IFPG had total assets of approximately $131.0 million. The following table reconciles our proportionate share of Adjusted EBITDA of IFPG from net loss for the year ended June 23, 2025 to December 31, 2025 (in thousands):

	2025[1]
Revenues	$ 9,356
Net loss (GAAP)	$ (1,921)
Interest and debt related expenses	2,072
Depreciation and amortization	2,399
Income tax benefit	(825)
Transaction related expenses[2]	1,755
Adjusted EBITDA (non-GAAP)	$ 3,480
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[3]	*$ 3,173*

FOOTNOTES:

(1) Results are for the period from June 23, 2025 (the date we acquired our investment in IFPG) to December 31, 2025.

(2) Initial buyer transaction costs paid by IFPG included in the purchase price. Transaction related expenses are non-recurring.

(3) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2025, we owned approximately 91% of IFPG.

Other Portfolio Companies

Milton

Milton Industries, Inc. ("Milton") is a leading provider of highly-engineered tools and accessories for pneumatic, fluid power and specialty tool applications across a variety of end markets including vehicle service and industrial maintenance, repair and operations. The company has more than 5,000 active customers and over 3,000 SKUs with products including couplers, gauges,

chucks, blow guns, fluid handling equipment, filters, regulators and lubricators. Milton has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

Resolutions Economics

Resolution Economics, LLC ("Resolution Economics") is a specialty consulting firm that provides services to law firms and corporations in labor and employment and commercial litigation matters. Resolution Economics provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. Resolution Economics has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

Blue Ridge

Blue Ridge ESOP Associates ("Blue Ridge") is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 30 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software. Blue Ridge has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

USA Water

USA Water Intermediate Holdings, LLC ("USA Water") is a leading provider of operations and maintenance services for water and wastewaster systems across the Southeast United States. USA Water was established in 2012 and is based in Rosenberg, TX. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management and regulatory compliance needs to a professional partner of scale. USA Water's industry-leading technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory and compliance, and billing and administrative services. USA Water has completed strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

LBR

LOCI Topco Limited ("LBR") is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base.

In April 2025, we made an additional investment in LBR to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence. In addition to ALM, LBR has completed other strategic acquisitions since our initial investment, and we believe such acquisitions will remain one of the company's growth strategies.

Shipley

Headquartered in Houston, Texas, Shipley Do-Nuts ("Shipley") is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 390 locations across 13 states. With more than 60 varieties of

donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its 90-year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

USA Industries

USA Industries is a leading manufacturer of industrial flow control and testing products such as piping isolation tools, tube plugs and other flow devices. The Company leverages its depth of product portfolio and differentiated speed to market to serve as a critical partner to customers in the pharmaceutical, industrial, refinery and chemical end markets. USA Industries was founded in 1982 and is headquartered in Houston, TX.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase. In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by rising interest rates, record inflationary pressures due to global supply chain issues, a rise in energy prices and the impact of the recent public health crises, natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of December 31, 2025 and 2024, we had approximately $84.8 million and $146.3 million, respectively, of cash. Information related to the year ended December 31, 2023 is included in our Form 10-K filed with the SEC on March 31, 2025.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $131.6 million and $220.8 million in net proceeds during the years ended December 31, 2025 and 2024, respectively, from the Public Offerings, which excludes approximately $21.7 million and $18.1 million raised through our distribution reinvestment plan during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, we had approximately 806 million authorized common shares remaining for sale.

Operating Activities. We generated operating cash flows (excluding amounts related to investment activity) of approximately $22.6 million and $31.2 million, during the years ended December 31, 2025 and 2024, respectively.

The decrease in operating cash flows (excluding amounts related to investment activity) for the year ended December 31, 2025, as compared to the year ended December 31, 2024, was primarily attributable to (i) an increase in amounts paid to related parties of approximately $16.3 million (ii) a decrease in return of capital of approximately $1.0 million offset by (iii) an increase in investment income of approximately $8.3 million and (iv) a decrease in third-party operating expenses, net of changes in liabilities, of approximately $0.3 million.

Borrowings. We borrowed and repaid $30.0 million during the year ended December 31, 2025. We did not borrow any amounts during the year ended December 31, 2024. The purpose of the Line of Credit is for general Company working capital and acquisition financing purposes. See Note 8. “Borrowings” of Item 8. “Financial Statements and Supplementary Data” for additional information regarding the 2022 Line of Credit.

Uses of Liquidity and Capital Resources

Investments. We used approximately $181.8 million and $173.7 million of cash to purchase portfolio company investments during the years ended December 31, 2025 and 2024, respectively.

Distributions. We paid distributions to our shareholders of approximately $21.1 million and $19.8 million (which excludes distributions reinvested of approximately $21.7 million and $18.1 million, respectively) during the years ended December 31, 2025 and 2024, respectively. See “Distributions Declared” below for additional information.

Share Repurchases. We paid approximately $65.3 million and $46.5 million during the years ended December 31, 2025 and 2024, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.2 million and $0.2 million in deferred financing costs during the years ended December 31, 2025 and 2024, respectively.

Reimbursement of Expense Support. We accrued a reimbursement of expense support due to the Manager and Sub-Manager of less than $0.1 million during the year ended December 31, 2024, all of which was paid in January 2025. As of December 31, 2025, there is less than $0.1 million remaining unreimbursed Expense Support under the terms of the Expense Support and

Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data" for additional information.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the years ended December 31, 2025 and 2024 (twelve record dates). The following table reflects total distributions declared during the years ended December 31, 2025 and 2024 (in thousands expect per share data):

Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested
Year ended December 31, 2025	$ 42,793	$ 21,706	$ 21,087
Year ended December 31, 2024	37,899	18,145	19,754

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 - December 31, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 - December 31, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

(3) Represents the range of monthly distribution rates during the period, measured on the dollar value of distributions per share class as a percentage of the respective share class public offering price.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Years Ended December 31,			
	2025		2024	
	Amount	Percentage[1]	Amount	Percentage [1]
Net investment income before reimbursement of expense support (reimbursement)	$ 20,294	96.2 %	$ 21,065	106.6 %
Expense support (reimbursement)	950	4.5	20	0.1
Net investment income	$ 21,244	100.7 %	$ 21,085	106.7 %
Net realized gains	$ 1,928	9.1 %	$ —	— %
Cash distributions declared, net of distributions reinvested[2]	$ 21,087	100.0 %	$ 19,754	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $21,706 and $18,145 of distributions reinvested pursuant to our distribution reinvestment plan during the years ended December 31, 2025 and 2024, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" in Item 8. "Financial Statements and Supplementary Data" for additional disclosures regarding distributions.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland,

Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. “Investable assets” includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other

business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the years ended December 31, 2025 and 2024, we received requests for the repurchase of approximately $74.2 million and $57.5 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following table summarizes the shares repurchased during the years ended December 31, 2025 and 2024 (in thousands except per share data):

	Years Ended December 31,					
	2025			2024		
Share Class	Number of Shares	Total Consideration	Average Price Paid per Share	Number of Shares	Total Consideration	Average Price Paid per Share
Class FA	293	$ 12,138	$ 41.43	162	$ 6,076	$ 37.44
Class A	221	8,227	37.09	135	4,624	34.20
Class T	127	4,747	37.34	153	5,175	34.04
Class D	166	5,991	36.32	121	4,154	34.33
Class I	1,122	42,116	37.56	1,031	36,078	35.02
Class S	24	1,013	42.04	36	1,387	38.44
Total	1,953	$ 74,232	$ 38.03	1,638	$ 57,494	$ 35.13

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Through December 31, 2025, we had acquired equity and debt investments in 18 portfolio companies using the net proceeds from our Offerings. As of December 31, 2025 and 2024, the fair value of our portfolio company investments totaled approximately $1.4 billion and $1.1 billion, respectively. See “Portfolio and Investment Activity” above for discussion of the general terms and characteristics of our investments and for information regarding our portfolio companies.

The following table summarizes our operating results for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Total investment income	$ 85,294	$ 71,701
Total operating expenses	(64,890)	(50,607)
Expense support (reimbursement), net	950	20
Net investment income before taxes	21,354	21,114
Income tax expense	(110)	(29)
Net investment income	**21,244**	**21,085**
Total net realized gain on investments	1,928	—
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain	113,582	88,671
Net increase in net assets resulting from operations	**$ 136,754**	**$ 109,756**

Investment Income

Investment income consisted of the following for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024

From portfolio company investments:		
Interest income	$ 42,630	$ 40,623
Dividend income	31,844	22,354
PIK income	8,021	2,755
From U.S. Treasury bills and cash and cash equivalents:		
Interest income	2,799	5,969
Total investment income	**$ 85,294**	**$ 71,701**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, our weighted average annual yield on our accruing debt investments was 15.6% and 14.1%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." The increase in interest income from portfolio company investments during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily attributable to new debt investments made in July 2024, December 2024 and June 2025.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. During 2025 and 2024, we received dividend income from 14 and 13 of our portfolio companies, respectively.

PIK income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as PIK income and added to the principal balance of the instrument. PIK income was approximately $8.0 million and $2.8 million for the year ended December 31, 2025 and 2024.

The decrease in interest income from cash and cash equivalents is a result of a modest decrease in the average investment yield and a decrease in the average investment balance driven by the net dollars raised in Public Offerings offset by higher deal volume during the second half of 2024 and the first half of 2025.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	Years Ended December 31,	
	2025	**2024**
Total return incentive fees	$ 30,321	$ 24,119
Base management fees	23,993	18,083
Offering expenses	1,893	1,265
Professional services	3,750	3,119
Pursuit costs	1,264	1,301
Distribution and shareholder servicing fees	1,996	1,313
Custodian and accounting fees	591	536
General and administrative expenses	276	240
Interest expense	383	209
Insurance expense	222	215
Director fees and expenses	201	207
Total operating expenses	**64,890**	**50,607**
Expense support	(950)	(20)
Net operating expenses	**$ 63,940**	**$ 50,587**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses, interest expense and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services and interest expense).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis. We perform a final reconciliation of the total return incentive fee calculation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We incurred total return incentive fees of approximately $30.3 million and $24.1 million during the years ended December 31, 2025 and 2024, respectively. The increase in total return incentive fees during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily due to an increase of $24.9 million in the net change in unrealized appreciation on investments, including foreign currency gain (loss) taken over a larger Average Adjusted Capital during the year ended December 31, 2025, as compared to the year ended December 31, 2024.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears.

We incurred base management fees of approximately $24.0 million and $18.1 million during the years ended December 31, 2025 and 2024, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash) which were approximately $1.3 billion and $982.0 million during the years ended December 31, 2025 and 2024, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to our condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager. We incurred offering expenses of approximately $1.9 million and $1.3 million during the years ended December 31, 2025 and 2024, respectively.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $1.3 million during both years ended December 31, 2025 and 2024.

Distribution and Shareholder Servicing Fees

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our

distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $2.0 million and $1.3 million during the years ended December 31, 2025 and 2024, respectively. The increase in distribution and shareholder servicing fees during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is attributable to an increase in Class T and Class D shares outstanding.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, interest expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $5.4 million and $4.5 million during the years ended December 31, 2025 and 2024, respectively. The increase in other operating expenses during the year ended December 31, 2025, as compared to the year ended December 31, 2024, is primarily attributable to an increase in custodian, accounting, legal, tax and valuation professional services resulting from an increase in the number of shareholders and investments.

Expense Support (Reimbursement) and Conditional Reimbursement Agreement

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the conditional reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make conditional reimbursements shall automatically terminate and be of no further effect three years following the date which the expense support amount was provided and to which such conditional reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Expense support (reimbursement) totaled approximately $1.0 million and less than $0.1 million during the years ended December 31, 2025 and 2024, respectively. The actual amount of expense support or expense support reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data" for details regarding total Expense Support received since inception.

We accrued expense support due from the Manager and Sub-Manager of approximately $1.0 million and less than $0.1 million, related to Class I shares, during years ended December 31, 2025 and 2024. Although we covered 100% of cash distributions from net investment income and realized gains, the increase in expense support accrued during the twelve months ended December 31, 2025, as compared to December 31, 2024, is primarily attributable to the increase of certain Class I class-specific expenses.

Other Expenses and Changes in Net Assets

Income Tax Expense

We incur income tax expense to the extent we have or expect to have taxable income or loss for the current year related to our Taxable Subsidiaries. During the years ended December 31, 2025 and 2024, we recorded current income tax expense of approximately $0.11 million and $0.03 million, respectively. Additionally, we recorded a provision for deferred taxes on investments of approximately $13.1 million and $2.4 million during the years ended December 31, 2025 and 2024, respectively, primarily related to unrealized appreciation on investments held by our Taxable Subsidiaries. As of December 31, 2025 and 2024, eight and six of our equity investments were held in Taxable Subsidiaries, respectively. As of December 31, 2025 and 2024, two and one of our debt investments was held in Taxable Subsidiaries, respectively.

The table below presents a reconciliation of tax expense the Company would be subject to if it were taxed as a corporation to the Company's actual income tax expense incurred by its Taxable Subsidiaries for the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,			
	2025		2024	
Tax expense computed at the federal statutory rate	$ 31,485	21.0 %	$ 23,555	21.0 %
State income tax expense net of federal benefit	514	0.4	122	0.1
Benefit of partnership structure	(18,675)	(12.5)	(20,325)	(19.0)
Reduction in valuation allowance	(149)	(0.1)	(941)	—
Income tax expense	$ 13,175	8.8 %	$ 2,411	2.1 %

The effective tax rate will fluctuate from year to year as the amount of taxable income (or loss) at our Taxable Subsidiaries fluctuates in relation to the Company's net income.

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded and private comparable companies as determined by our independent valuation firm.

The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on 13 portfolio companies of approximately $137.8 million, offset partially by gross unrealized depreciation on four portfolio companies of approximately $7.6 million during the twelve months ended December 31, 2025. One portfolio company investment remained flat due to the recency of the investment. Additionally, Douglas contributed $2.1 million gross unrealized depreciation and a reversal of $1.4 million gross unrealized appreciation upon disposition during the twelve months ended December 31, 2025. Gross unrealized appreciation was primarily due to EBITDA growth, accretive add-on acquisitions, multiple expansion and unrealized foreign currency gain. Gross unrealized depreciation was primarily driven by EBITDA declines and multiple compression. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $13.1 million during the twelve months ended December 31, 2025.

The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on twelve portfolio companies of approximately $105.1 million, offset partially by gross unrealized depreciation on four portfolio companies of approximately $14.0 million during the twelve months ended December 31, 2024. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions and multiple expansion. Gross unrealized depreciation was primarily driven by EBITDA declines, multiple compression and unrealized foreign currency loss. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $2.4 million during the twelve months ended December 31, 2024.

Net Assets

During the years ended December 31, 2025 and 2024, the net increase in net assets consisted of the following:

	Years Ended December 31,	
	2025	2024

Operations	$ 136,754	$ 109,756
Distributions to shareholders	(42,793)	(37,899)
Capital transactions	93,188	180,002
Net increase in net assets	$ 187,149	$ 251,859

Operations increased by approximately $27.0 million during the year ended December 31, 2025, as compared to the year ended December 31, 2024. The increase in operations was primarily due to an increase of approximately $24.9 million in the net change in unrealized appreciation on investments and an increase of approximately $0.2 million in net investment income during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

Distributions increased approximately $4.9 million during the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily as a result of an increase in shares outstanding.

Capital share transactions decreased approximately $86.8 million during the year ended December 31, 2025, as compared to the year ended December 31, 2024. The decrease was primarily due a decrease in net proceeds received through our Offerings of approximately $73.6 million and an increase of approximately $3.6 million in amounts received through our distribution reinvestment plan, which was offset partially by an increase in share repurchases of approximately $16.7 million under the Share Repurchase Program.

Total Returns

The following table illustrates year-to-date return ("YTD Return"), trailing 12 months return ("1-Year Return"), trailing 36 months return ("3-year Return"), trailing 60 months return ("5-Year Return") and Annualized Return Since Inception, and cumulative total returns through year ended December 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return [3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Total Return Period
Class FA (no sales load)	11.7 %	11.7 %	34.9 %	71.8 %	11.1 %	129.6 %	Feb. 7, 2018 – Dec. 31, 2025
Class FA (with sales load)	4.5 %	4.5 %	26.1 %	60.6 %	10.2 %	114.7 %	Feb. 7, 2018 – Dec. 31, 2025
Class A (no sales load)	10.8 %	10.8 %	31.2 %	60.6 %	10.1 %	109.9 %	Apr. 10, 2018 – Dec. 31, 2025
Class A (with sales load)	1.4 %	1.4 %	20.1 %	46.9 %	8.8 %	92.1 %	Apr. 10, 2018 – Dec. 31, 2025
Class I	10.6 %	10.6 %	30.8 %	60.3 %	10.2 %	111.4 %	Apr. 10, 2018 – Dec. 31, 2025
Class T (no sales load)	9.8 %	9.8 %	28.2 %	54.9 %	9.1 %	94.5 %	May. 25, 2018 – Dec. 31, 2025
Class T (with sales load)	4.5 %	4.5 %	22.1 %	47.5 %	8.4 %	85.2 %	May. 25, 2018 – Dec. 31, 2025
Class D	10.5 %	10.5 %	30.4 %	59.6 %	9.6 %	98.6 %	Jun. 26, 2018 – Dec. 31, 2025
Class S (no sales load)	11.8 %	11.8 %	35.4 %	71.9 %	12.2 %	93.9 %	Mar. 31, 2020 – Dec. 31, 2025
Class S (with sales load)	7.9 %	7.9 %	30.7 %	65.9 %	11.5 %	87.1 %	Mar. 31, 2020 – Dec. 31, 2025

FOOTNOTES:

(1) For the period from January 1, to December 31, 2025.

(2) For the period from January 1, 2025 to December 31, 2025.

(3) For the period from January 1, 2022 to December 31, 2025.

(4) For the period from January 1, 2020 to December 31, 2025.

(5) For the period from the date the first share was issued for each respective share class through December 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in Item 1A in Part I of this Annual Report, including the negative impacts from public health crises, natural disasters and geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3

investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Hedging Activities

As of December 31, 2025, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

Our most critical accounting policies involve decisions and assessments that could affect our reported assets and liabilities, as well as our reported revenues and expenses. We believe that all of the decisions and assessments upon which our financial statements are based are reasonable at the time made and based upon information available to us at that time. Our critical accounting policies and accounting estimates will be expanded over time as we continue to implement our business and operating strategy. Our significant accounting policies are described in Note 2. “Significant Accounting Policies” of Item 8. “Financial Statements and Supplementary Data.” Those material accounting policies and estimates that we expect to be most critical to an investor’s understanding of our financial results and condition, as well as those that require complex judgment decisions by our management, are discussed below.

Basis of Presentation

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates, assumptions and the exercise of subjective judgment as to future uncertainties. In the opinion of management, the consolidated financial statements reflect all adjustments that are necessary for the fair presentation of financial results as of and for the periods presented.

Although we are organized and intend to conduct our business in a manner so that we are not required to register as an investment company under the Investment Company Act, our financial statements are prepared using the specialized accounting principles of ASC Topic 946 to utilize investment company accounting. We obtain funds through the issuance of equity interests to multiple unrelated investors, and provide such investors with investment management services. Further, our business strategy is to acquire interests in middle-market businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, we believe that the use of investment company accounting on a fair value basis is consistent with the management of our assets on a fair value basis, and make our financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in us as compared to other investment products in the marketplace.

Valuation of Investments

We have adopted, and our valuation policy is performed in accordance with, ASC Topic 820, as described in Note 2. “Significant Accounting Policies” in Item 8. “Financial Statements and Supplementary Data.” As of December 31, 2025, all of our portfolio company investments were categorized as Level 3.

Our portfolio company investments are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors we may take into account to determine the fair value of our investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

Our board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, our audit committee, and the independent third-party valuation firm. The determination of the fair value of our Level 3 assets requires judgment, which include assets for which market prices are not available. For most of our assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of our net asset value is based, in part, on the fair value of our assets, our calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that we ultimately realize upon the disposal of such assets. Furthermore, through the valuation process, our board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

U.S. Federal and State Income Taxes

We believe that we are properly characterized as a partnership for U.S. federal income tax purposes and expect to continue to qualify as a partnership, and not be treated as a publicly traded partnership or otherwise be treated as a taxable corporation, for such purposes. As a partnership, we are generally not subject to U.S. federal and state income tax at the entity level. However, the Company holds certain equity investments in Taxable Subsidiaries. The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, if any, and related tax assets and liabilities are reflected in the Company's consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We anticipate that our primary market risks will be related to the credit quality of our counterparties, market interest rates and changes in exchange rates. We will seek to manage these risks while, at the same time, seeking to provide an opportunity to shareholders to realize attractive returns through ownership of our shares.

Credit Risk

We expect to encounter credit risk relating to (i) the businesses and other assets we acquire and (ii) our ability to access the debt markets on favorable terms. We will seek to mitigate this risk by deploying a comprehensive review and asset selection process, including scenario analysis, and careful ongoing monitoring of our acquired businesses and other assets as well as mitigation of negative credit effects through back up planning. Nevertheless, unanticipated credit losses could occur, which could adversely impact our operating results.

Changes in Market Interest Rates

We are subject to financial market risks, including changes in interest rates. Our debt investments are currently structured with fixed interest rates. Returns on investments that carry fixed rates are not subject to fluctuations in payments we receive from our borrowers, and will not adjust should rates move up or down. However, the fair value of our debt investments may be negatively impacted by high interest rates. We may also invest in floating interest rate debt investments in the future.

We had not borrowed any money as of December 31, 2025. However, to the extent that we borrow money to make investments, our net investment income will be partially dependent upon the difference between the rate at which we borrow funds and the rate at which we invest these funds. In periods of rising interest rates, our cost of funds may increase, which may reduce our net investment income. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

Exchange Rate Sensitivity

We hold investments that are denominated in British pounds that may be affected by movements in the rate of exchange between the U.S. dollar and British pounds. We may manage exposure to investments in foreign currencies by hedging such risks. As of December 31, 2025, we have not entered into any derivative financial instruments or other arrangements to hedge a change in exchange rate against the U.S. dollar. We estimate that as of December 31, 2025, a 10% decline in the rate of exchange of British pounds against the U.S. dollar would result in a decline in the "Net change in unrealized appreciation on investments" in the Company's condensed consolidated statements of operations of $10.6 million.

Additionally, some of the portfolio companies we invest in conduct business in foreign jurisdictions and therefore our investments have an indirect exposure to risks associated with changes in foreign exchange rates.

Item 8. Financial Statements and Supplementary Data

CNL STRATEGIC CAPITAL, LLC

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of CNL Strategic Capital, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of CNL Strategic Capital, LLC (the Company), including the consolidated schedules of investments, as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in net assets and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations, changes in its net assets, and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Valuation of investments using significant unobservable inputs and assumptions

Description of the Matter	At December 31, 2025, the fair value of the Company's investments categorized as Level 3 investments within the fair value hierarchy (Level 3 investments) totaled $1,404,092 thousand. Management determines the fair value of the Company's Level 3 investments by applying the valuation methodologies and techniques outlined in Notes 2 and 4 to the consolidated financial statements and using significant unobservable inputs and assumptions. Determining the fair value of the Level 3 investments requires management to make judgments about the valuation techniques (i.e., market approach, income approach or transaction approach) and significant unobservable inputs and assumptions including, among others, EBITDA multiples and discount Auditing the fair value of the Company's Level 3 investments involved a high degree of auditor judgment and extensive audit effort, as changes in the valuation techniques or significant unobservable inputs and assumptions could have a significant effect on the fair value measurements of the Level 3 investments.
How We Addressed the Matter in Our Audit	We obtained an understanding and evaluated the design of the Company's controls over the investment valuation process, including controls over management's assessment of the valuation techniques and significant unobservable inputs and assumptions used in determining the fair value measurements of the Level 3 investments. Our audit procedures included, among others, evaluating the Company's valuation techniques, testing the significant unobservable inputs and assumptions used by the Company in determining the fair value of the Company's Level 3 investments, and testing the mathematical accuracy of the Company's valuation calculations. For a sample of the Company's Level 3 investments, and in some cases, with the involvement of our valuation specialists, we independently developed fair value estimates and compared them to the Company's estimates. We developed our independent fair value estimates by using portfolio company financial information, which we compared to confirmations obtained from the portfolio companies, agreements, or underlying source documents provided to the Company, such as portfolio company financial statements, and available market information from third-party sources, such as market multiples. In developing our independent fair value estimates, we considered the impact of current economic conditions on trends in portfolio company financial information and the resulting fair value estimates. We also evaluated subsequent events and other available

s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

Orlando, Florida
March 26, 2026

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	December 31,	
	2025	**2024**
Assets		
Investments at fair value:		
Portfolio company investments (amortized cost of $1,029,526 and $892,940, respectively)	$ 1,404,092	$ 1,140,859
Cash and cash equivalents	84,798	146,319
Receivable for shares sold	14,106	—
Prepaid expenses and other assets	165	472
Total assets	1,503,161	1,287,650
Liabilities		
Due to related parties, net (Note 5)	31,790	26,386
Payable for shares repurchased	28,056	19,169
Deferred tax liabilities, net	22,909	9,844
Accounts payable and other accrued expenses	2,049	1,043
Total liabilities	84,804	56,442
Commitments and contingencies (Note 11)		
Members' Equity (Net Assets)		
Preferred shares, $0.001 par value, 50,000 shares authorized and unissued	—	—
Class FA Common shares, $0.001 par value, 7,400 shares authorized; 4,844 shares issued; 3,724 and 4,017 shares outstanding, respectively	4	4
Class A Common shares, $0.001 par value, 94,660 shares authorized; 9,559 and 8,549 shares issued, respectively; 9,026 and 8,238 shares outstanding, respectively	9	8
Class T Common shares, $0.001 par value, 558,620 shares authorized; 4,155 and 3,582 shares issued, respectively; 2,171 and 2,511 shares outstanding, respectively	2	3
Class D Common shares, $0.001 par value, 94,660 shares authorized; 3,419 and 3,275 shares issued, respectively; 3,051 and 3,072 shares outstanding, respectively	3	3
Class I Common shares, $0.001 par value, 94,660 shares authorized; 19,501 and 15,936 shares issued, respectively; 16,598 and 14,154 shares outstanding, respectively	17	14
Class S Common shares, $0.001 par value, 100,000 shares authorized; 1,770 shares issued; 1,688 and 1,712 shares outstanding, respectively	2	2
Capital in excess of par value	1,124,711	1,031,526
Distributable earnings	293,609	199,648
Total Members' Equity (net assets)	$ 1,418,357	$ 1,231,208
Net asset value per share:		
Class FA	$ 42.98	$ 39.55
Class A	$ 38.21	$ 35.68
Class T	$ 38.15	$ 35.72
Class D	$ 37.94	$ 35.42
Class I	$ 38.64	$ 36.12
Class S	$ 43.48	$ 40.09

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Years Ended December 31,	
	2025	**2024**
Investment Income		
From portfolio company investments:		
Interest income	$ 42,630	$ 40,623
Dividend income	31,844	22,354
Payment-in-kind ("PIK") income	8,021	2,755
From cash accounts		
Interest income	2,799	5,969
Total investment income	85,294	71,701
Operating Expenses		
Total return incentive fees	30,321	24,119
Base management fees	23,993	18,083
Offering expenses	1,893	1,265
Professional services	3,750	3,119
Pursuit costs	1,264	1,301
Distribution and shareholder servicing fees	1,996	1,313
Custodian and accounting fees	591	536
General and administrative expenses	276	240
Interest expense	383	209
Insurance expense	222	215
Director fees and expenses	201	207
Total operating expenses	64,890	50,607
Expense support	(950)	(20)
Net operating expenses	63,940	50,587
Net investment income before taxes	21,354	21,114
Income tax expense	(110)	(29)
Net investment income	21,244	21,085
Realized and unrealized gain (loss) on investments and foreign currency		
Net realized gain on investments:		
Portfolio company investments	1,928	—
Total net realized gain on investments	1,928	—
Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss):		
Portfolio company investments	126,647	91,053
Provision for deferred taxes on investments	(13,065)	(2,382)
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain	113,582	88,671
Net gain on investments	115,510	88,671
Net increase in net assets resulting from operations	$ 136,754	$ 109,756

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS - CONTINUED
(in thousands, except per share data)

	Years Ended December 31,	
	2025	**2024**
Net increases in net assets resulting from operations per share		
Class FA	$ 4.68	$ 4.13
Class A	$ 3.78	$ 3.36
Class T	$ 3.43	$ 3.08
Class D	$ 3.65	$ 3.24
Class I	$ 3.77	$ 3.31
Class S	$ 4.64	$ 4.09
Weighted average shares outstanding		
Class FA	3,927	4,098
Class A	8,651	6,578
Class T	2,355	2,586
Class D	3,059	2,893
Class I	15,339	13,264
Class S	1,705	1,736

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2023	**28,435**	**$ 29**	**$ 851,529**	**$ 127,791**	**$ 979,349**
Net investment income	—	—	—	21,085	21,085
Net change in unrealized appreciation on investments	—	—	—	88,671	88,671
Distributions to shareholders	—	—	—	(37,899)	(37,899)
Issuance of common shares through the Public Offerings	6,381	7	219,344	—	219,351
Issuance of common shares through distribution reinvestment plan	526	—	18,145	—	18,145
Repurchase of common shares pursuant to share repurchase program	(1,638)	(2)	(57,492)	—	(57,494)
Balance as of December 31, 2024	**33,704**	**$ 34**	**$ 1,031,526**	**$ 199,648**	**$ 1,231,208**
Net investment income	—	—	—	21,244	21,244
Net realized gain on investments	—	—	—	1,928	1,928
Net change in unrealized appreciation on investments	—	—	—	113,582	113,582
Distributions to shareholders	—	—	—	(42,793)	(42,793)
Issuance of common shares through the Public Offerings	3,919	4	145,710	—	145,714
Issuance of common shares through distribution reinvestment plan	588	1	21,705	—	21,706
Repurchase of common shares pursuant to share repurchase program	(1,953)	(2)	(74,230)	—	(74,232)
Balance as of December 31, 2025	**36,258**	**$ 37**	**$ 1,124,711**	**$ 293,609**	**$ 1,418,357**

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,	
	2025	**2024**
Operating Activities:		
Net increase in net assets resulting from operations	$ 136,754	$ 109,756
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio company investments	(181,772)	(173,656)
Proceeds from sales of portfolio company investments	52,678	—
Proceeds from return of capital on portfolio company investments	2,457	3,448
Net realized gain on portfolio company investments	(1,928)	—
Net change in unrealized appreciation on investments and foreign currency transactions, excluding deferred taxes	(126,647)	(91,053)
PIK income	(8,021)	(2,755)
Increase in net due to related parties	5,404	10,599
Increase (decrease) in accounts payable and other accrued expenses	1,006	(1,282)
Increase in deferred tax liabilities, net	13,065	2,382
Increase in prepaid expenses and other assets	470	131
Net cash used in operating activities	(106,534)	(142,430)
Financing Activities:		
Proceeds from issuance of common shares	131,608	220,762
Payment on repurchases of common shares	(65,345)	(46,549)
Proceeds from line of credit	30,000	—
Repayment of line of credit	(30,000)	—
Distributions paid, net of distributions reinvested	(21,087)	(19,754)
Deferred financing costs	(163)	(163)
Net cash provided by financing activities	45,013	154,296
Net (decrease) increase in cash	(61,521)	11,866
Cash and cash equivalents, beginning of period	146,319	134,453
Cash and cash equivalents, end of period	$ 84,798	$ 146,319
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 74	$ 44
Cash paid for interest	$ 170	$ —
Supplemental disclosure of non-cash financing activities:		
Distributions reinvested	$ 21,706	$ 18,145
Amounts incurred but not paid (including amounts due to related parties):		
Offering costs	$ 65	$ 138
Payable for shares repurchased	$ 28,056	$ 19,169

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025
(in thousands, except share data)

Company[1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.7%						
Clarion Safety Holdings, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Notes – First Lien					66,990	66,990
Senior Secured Note –12.4%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC [5]	Franchise Consulting Services	15.0%	6/23/2032	27,500	27,500	27,500
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2028	15,700	15,700	15,700
Sill Holdings, LLC [5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,375	24,375	24,375
Total Senior Secured Note					175,826	175,826
Senior Secured Notes – Second Lien – 4.5%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco, LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Industries Holdings, LLC	Engineered Products	16.0%	6/9/2033	804	804	804
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes – Second Lien					63,206	63,206
Senior Secured PIK Notes - 1.3%						
LOCI Topco Limited [6][7]	Legal Services	3.84% PIK [9]	5/17/2039	9,192	$ 9,192	$ 9,306
LOCI Topco Limited [6][8]	Legal Services	3.84% PIK [9]	5/17/2039	9,191	9,191	9,305
Total Senior Secured PIK Notes					18,383	18,611
Total Senior Secured Notes					**$ 324,405**	**$ 324,633**

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2025 (CONTINUED)
(in thousands, except share data)

Company[1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Preferred Equity - 5.7%						
LOCI Topco Limited [6][10]	Legal Services	8.16% PIK [9]		989,505	$ 990	$ 994
LOCI Topco Limited [6][11]	Legal Services	8.50% PIK [9]		67,997,448	67,997	71,697
LOCI Topco Limited [6][12]	Legal Services	12.00% PIK[9]		8,492,564	8,493	8,594
Total Preferred Equity					**77,480**	**81,285**
Common Equity – 70.4%						
ATA Holding Company, LLC [13]	Real Estate Services			37,985	$ 37,125	$ 36,050
Auriemma U.S. Roundtables [13]	Information Services and Advisory Solutions			33,094	33,476	69,758
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	8,072	43,234
Clarion Safety Holdings, LLC [13]	Visual Safety Solutions			68,891	70,316	108,558
Healthcare Safety Holdings, LLC [13]	Healthcare Supplies			17,320	17,320	44,533
IFPG TopCo, LLC [13]	Franchise Consulting Services			90,500	90,500	92,672
LOCI Topco Limited [6]	Legal Services			104,624	134	5,829
Lawn Doctor, Inc [13]	Commercial and Professional Services			7,746	27,610	100,355
Madison Retirement Holdings TopCo, LLC[13]	Retirement Plan Services			61,500	61,436	91,495
Milton Industries, Inc	Engineered Products			7,395	8,903	19,898
Polyform Products, Co. [13]	Hobby Goods and Supplies			10,820	15,599	10,752
Resolution Economics, LLC	Legal Services			7,666	7,645	23,163
SDC Holdco, LLC	Restaurant and Food			6,816	6,764	7,123
Sill Holdings, LLC [13]	Insurance Services			85,828	96,249	157,788
Tacmed Holdings, LLC [13]	Healthcare Supplies			77,000	76,744	100,331
USA Industries Holdings, LLC	Engineered Products			4,196	4,196	4,196
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	13,199
Vektek Holdings, LLC [13]	Engineered Products			56,928	56,928	69,240
Total Common Equity					**627,641**	**998,174**
TOTAL INVESTMENTS – 99.0%					**$ 1,029,526**	**$ 1,404,092**
OTHER ASSETS IN EXCESS OF LIABILITIES – 1.0%						14,265
NET ASSETS – 100.0%						$ 1,418,357

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.
(2) Percentages represent fair value as a percentage of net assets for each investment category.
(3) All investments are U.S. based unless otherwise noted.
(4) As of December 31, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of 1 month SOFR + 4.60%. 1 month SOFR at December 31, 2025 was 3.79%.
(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third-party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.5% of net assets based on fair value as of December 31, 2025.
(7) Represents Tranche A2 PIK Notes, which are subordinate to other notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).
(8) Represents Tranche B2 PIK Notes, which are subordinate to other notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).
(9) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance.
(10) Represents A2 Preferred Share of LOCI TopCo Limited.
(11) Represents B2 Preferred Shares of LOCI TopCo Limited.
(12) Represents B3 Preferred Shares of LOCI TopCo Limited.
(13) As of December 31, 2025, the Company owned a controlling interest in this portfolio company.

See notes to consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024
(in thousands, except share data)

Company[1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Cost	Fair Value
Senior Secured Notes – First Lien – 5.4%						
Clarion Safety Holdings, LLC	Visual Safety Solutions	15.0%	12/9/2028	$ 22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Note - First Lien					66,990	66,990
Senior Secured Note –12.1%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2026	15,700	15,700	15,700
Sill Holdings, LLC [5]	Business Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,625	24,625	24,625
Total Senior Secured Notes					148,576	148,576
Senior Secured Notes – Second Lien –6.2%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	$ 12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Douglas Machines Corp.	Sanitation Products	16.0%	10/7/2028	15,000	15,000	15,000
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Business Services	15.0%	12/30/2027	2,834	2,834	2,834
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes - Second Lien					76,718	76,718
Total Senior Secured Notes					**$ 292,284**	**$ 292,284**

CNL STRATEGIC CAPITAL, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024 (CONTINUED)
(in thousands, except share data)

Company[1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Cost	Fair Value
Preferred Equity - 5.0%						
LOCI Topco Limited[6]	Information Services and Advisory Solutions	8.5% PIK[7]		46,597,751	$ 62,070	$ 61,155
Total Preferred Equity					**62,070**	**61,155**
Common Equity - 64.0%						
ATA Holding Company, LLC[8]	Real Estate Services			37,985	$ 37,125	$ 35,291
Auriemma U.S. Roundtables[8]	Information Services and Advisory Solutions			33,094	33,476	62,511
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	10,200	36,896
Clarion Safety Holdings, LLC[8]	Visual Safety Solutions			57,368	56,816	67,213
Douglas Machines Corp.[8]	Sanitation Products			35,500	35,500	39,057
Healthcare Safety Holdings, LLC[8]	Healthcare Supplies			17,320	17,320	47,726
LOCI Topco Limited[6]	Information Services and Advisory Solutions			73,215	93	1,618
Lawn Doctor, Inc[8]	Commercial and Professional Services			7,746	27,610	91,742
Madison Retirement Holdings TopCo, LLC[8]	Retirement Plan Services			57,500	57,500	60,463
Milton Industries, Inc	Engineered Products			6,647	6,647	18,849
Polyform Products, Co.[8]	Hobby Goods and Supplies			10,820	15,599	12,751
Resolution Economics, LLC	Business Services			7,666	7,855	20,400
Sill Holdings, LLC[8]	Business Services			82,754	90,549	119,736
Tacmed Holdings, LLC[8]	Healthcare Supplies			77,000	76,744	92,378
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	10,370
Vektek Holdings, LLC[8]	Engineered Products			56,928	56,928	70,419
Total Common Equity					538,586	787,420
Total Investments - 92.7%					**$ 892,940**	**$ 1,140,859**
OTHER ASSETS IN EXCESS OF LIABILITIES –7.3%						90,349
NET ASSETS–100.0%						$ 1,231,208

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.

(2) Percentages represent fair value as a percentage of net assets for each investment category.

(3) All investment are US based unless otherwise noted.

(4) As of December 31, 2024, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of 1 month SOFR + 4.60% and 1 month SOFR + 4.35%, respectively. 1 month SOFR at December 31, 2024 was 4.53%.

(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 5.10% of net assets based on fair value as of December 31, 2024.

(7) PIK income is computed at the contractual rate in each applicable agreement and is accrued and recorded as income and capitalized to the principal balance.

(8) As of December 31, 2024, the Company owned a controlling interest in this portfolio company.

See notes to consolidated financial statements.

1. Principal Business and Organization

CNL Strategic Capital, LLC (the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. The Company is externally managed by CNL Strategic Capital Management, LLC (the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"). The Manager is responsible for the overall management of the Company's activities and the Sub-Manager is responsible for the day-to-day management of the Company's assets. The Manager and the Sub-Manager are each registered as an investment adviser under the Investment Advisers Act of 1940, as amended the ("Advisers Act"). The Company conducts and intends to continue its operations so that the Company and each of its subsidiaries do not fall within, or are excluded from, the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company intends to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. The Company's business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. The Company seeks to structure its investments with limited, if any, third-party senior leverage.

The Company intends for a significant majority of its total assets to be comprised of long-term controlling equity interests and debt positions in the businesses it acquires. In addition, and to a lesser extent, the Company may acquire other debt and minority equity positions. The Company intends to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. The Company may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. The Company expects that these positions will comprise a minority of its total assets.

The Company commenced its initial public offering of up to $1.1 billion of its limited liability company interests ("shares") on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, the Company commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Follow-On Registration Statement"). On November 1, 2024, the Company commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering," and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through its distribution reinvestment plan pursuant to a registration statement on Form S-1 (the "Second Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"), and terminated the Follow-On Public Offering.

Through the Second Follow-On Public Offering, the Company is offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, the "Non-founder shares"). There are differing selling fees and commissions and dealer manager fees for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Second Follow-On Public Offering (excluding sales pursuant to its distribution reinvestment plan). See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" for additional information related to the Public Offerings.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Financial Accounting Standards Board Accounting Standards Codification (the "Codification" or "ASC"), which requires the use of estimates, assumptions and the exercise of subjective judgment as to future

uncertainties. In the opinion of management, the consolidated financial statements reflect all adjustments that are of a normal recurring nature and necessary for the fair presentation of financial results as of and for the periods presented.

Although the Company is organized and intends to conduct its business in a manner so that it is not required to register as an investment company under the Investment Company Act, its financial statements are prepared using the specialized accounting principles of ASC Topic 946, "Financial Services—Investment Companies" ("ASC Topic 946") to utilize investment company accounting. The Company obtains funds through the issuance of equity interests to multiple unrelated investors, and provides such investors with investment management services. Further, the Company's business strategy is to acquire interests in middle-market U.S. businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, the Company believes that the use of investment company accounting on a fair value basis is consistent with the management of its assets on a fair value basis, and makes the Company's financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in the Company as compared to other investment products in the marketplace.

Principles of Consolidation

Under ASC Topic 946 the Company is precluded from consolidating any entity other than an investment company or an operating company which provides substantially all of its services to benefit the Company. In accordance therewith, the Company has consolidated the results of its wholly owned subsidiaries which provide services to the Company in its consolidated financial statements. However, the Company has not consolidated the results of its subsidiaries in which the Company holds debt and equity investments. All intercompany account balances and transactions have been eliminated in consolidation.

Risks and Uncertainties

The Company's portfolio companies and the success of its investment activities are affected by global and national economic, political and market conditions generally and also by the local economic conditions where the portfolio companies are located and operate. Certain external events such as public health crises, natural disasters and geopolitical events, have led to increased financial and credit market volatility and disruptions, leading to record inflationary pressure, rising interest rates, supply chain issues, labor shortages and recessionary concerns. In response to recent inflationary pressure, the U.S. Federal Reserve and other global central banks have raised interest rates in 2023 and 2024. The full impact of such external events on the financial and credit markets and consequently on the Company's financial conditions and results of operations is uncertain and cannot be fully predicted. The Company will continue to monitor these events and will adjust its operations as necessary.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds at commercial banks. Demand deposits are carried at cost plus accrued interest, which approximates fair value. The Company deposits its cash with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Use of Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. The uncertainty of future events may materially impact the accuracy of the estimates and assumptions used in the financial statements and related footnotes and actual results could differ from those estimates.

Valuation of Investments

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") clarifies that fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs.

In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 2 or Level 3 asset.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets, where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes, are generally valued using Level 2 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3 – Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls will be determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each asset. U.S. Treasury bills are classified as Level 1 assets and are recorded at fair value based on the average of the bid and ask quotes for identical instruments.

The Company's board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the Company's valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, its audit committee, and the independent third-party valuation firm. The determination of the fair value of the Company's Level 3 assets requires judgment, which include assets for which market prices are not available. For most of the Company's assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of the Company's net asset value is based, in part, on the fair value of its assets, the Company's calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that the Company ultimately realizes upon the disposal of such assets. Furthermore, through the valuation process, the Company's board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

The Company may also look to private merger and acquisition statistics, public trading multiples adjusted for illiquidity and other factors, valuations implied by third-party investments in the businesses or industry practices in determining fair value. The Company may also consider the size and scope of a business and its specific strengths and weaknesses, as well as any other factors it deems relevant in assessing the value.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation on Investments

The Company will measure realized gains or losses as the difference between the net proceeds from the sale, repayment, or disposal of an asset and the amortized cost basis of the asset, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on investments will reflect the change in asset values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Securities

The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation on investments, including unrealized foreign currency gain" in the Company's condensed consolidated statements of operations.

Income Recognition

Interest Income – Interest income from loans and debt securities is recorded on an accrual basis to the extent that the Company expects to collect such amounts. The Company does not accrue as a receivable interest on loans and debt securities for accounting purposes if it has reason to doubt its ability to collect such interest.

The Company places loans on non-accrual status when principal and interest are past due 90 days or more or when there is a reasonable doubt that the Company will collect principal or interest. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are generally restored to accrual status when past due principal and interest amounts are paid and, in management's judgment, are likely to remain current. Since inception, the Company has not experienced any past due payments on any of its loan investments.

Dividend Income – Dividend income is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Each distribution received from an equity investment is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record

distributions from equity investments as dividend income unless there are sufficient current or accumulated earnings prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

PIK Income - PIK income is computed at the contractual rate specified in each instrument's applicable agreement and is accrued and recorded as income and capitalized to the principal balance of the instrument. Such income is accrued only to the extent that the Company believes that the PIK income is probable of being collected. PIK income capitalized to the principal balance is generally collected upon redemption or maturity of the instrument.

Paid in Capital

The Company records the proceeds from the sale of its common shares on a net basis to (i) capital shares at par value and (ii) paid in capital in excess of par value, excluding upfront selling commissions and dealer manager fees.

Share Repurchases

Under the Company's share repurchase program (the "Share Repurchase Program"), shares are redeemed as of the repurchase date, which will generally be the last business day of the month of a calendar quarter. Shares redeemed are retired and not available for reissue. See Note 7. "Capital Transactions" for additional information.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on the Company's consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

Distribution and Shareholder Servicing Fees

The Company pays distribution and shareholder servicing fees with respect to its Class T and Class D shares, as described further below in Note 5. "Related Party Transactions." The Company records the distribution and shareholder servicing fees, which accrue daily, in the Company's consolidated statements of operations as they are incurred.

Deferred Financing Costs

Financing costs, including upfront fees, commitment fees and legal fees related to borrowings (as further described in Note 8. "Borrowings") are deferred and amortized over the life of the related financing instrument using the effective yield method. The amortization of deferred financing costs is included in general and administrative expense in the Company's consolidated statements of operations.

Allocation of Profit and Loss

Class-specific expenses, including base management fees, total return incentive fees, offering expenses, expense support (reimbursement), distribution and shareholder servicing fees and certain transfer agent fees, are allocated to each share class of common shares in accordance with how such expenses are attributable to the particular share classes, as determined by the Company's board of directors, the Company's governing agreements and, in certain cases, expenses which are specifically identifiable to a share class.

The following table reflects class-specific expenses by share class during the year ended December 31, 2025 and 2024 (in thousands):

	Year Ended December 31, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 1,119	$ 6,700	$ 1,643	$ 2,247	$ 11,712	$ 572
Total return incentive fees	2,026	8,252	1,985	2,785	14,395	878
Offering expenses	—	98	246	49	1,500	—
Expense support	—	—	—	—	(950)	—
Other class-specific expenses [1]	31	165	862	588	904	21

	Year Ended December 31, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 1,050	$ 4,359	$ 1,617	$ 1,855	$ 8,688	$ 514
Total return incentive fees	1,869	5,893	1,975	2,387	11,208	787
Offering expenses	—	452	74	87	652	—
Expense support	—	—	—	—	(20)	—
Other class-specific expenses [1]	33	150	896	535	647	21

[1] Other class-specific expenses consist of distribution and shareholder servicing fees, platform fees and certain transfer agent fees.

Income and expenses which are not class-specific are allocated monthly pro rata among the share classes based on shares outstanding as of the end of the month.

Net Investment Income per Share and Net Increase in Net Assets Resulting from Operations per Share

Net investment income per share and net increase in net assets resulting from operations per share are calculated for each share class of common shares based upon the weighted average number of common shares outstanding during the reporting period.

Distributions

The Company's board of directors has declared and intends to continue to declare distributions based on monthly record dates. Distributions are made on all classes of the Company's shares at the same time.

The Company has adopted a distribution reinvestment plan that provides for reinvestment of distributions on behalf of shareholders. Non-founder shareholders participating in the distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable at a price per share equivalent to the then current public offering price, net of up-front selling commissions and dealer manager fees. Cash distributions paid on Class FA shares participating in the distribution reinvestment plan are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

Income Taxes

Under GAAP, the Company is subject to the provisions of ASC 740, "Income Taxes." The Company follows the authoritative guidance on accounting for uncertainty in income taxes and concluded it has no material uncertain tax positions to be recognized at this time. If applicable, the Company will recognize interest and penalties related to unrecognized tax benefits as income tax expense in the Company's consolidated statements of operations.

The Company has operated and expects to continue to operate so that it will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation. Generally, the Company will not be taxable as a corporation if 90% or more of its gross income for each taxable year consists of "qualifying income" (generally, interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items) and the Company is not required to register under the

Investment Company Act (the "qualifying income exception"). As a partnership, the individual shareholders are responsible for their proportionate share of the Company's taxable income.

The Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, and related tax assets and liabilities are reflected in the Company's condensed consolidated financial statements. See Note 9. "Income Taxes" for additional information.

During the years ended December 31, 2025 and 2024, the Company did not incur any material interest or penalties. Tax years 2022 and forward remain subject to examination by taxing authorities.

Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (the "CODM") is comprised of the Company's chief operating officer and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). In addition to numerous other factors and metrics, the CODM utilizes net income, net assets and total return as key metrics in determining the amount of dividends to be distributed to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying consolidated statement of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

Reclassifications

Certain reclassifications have been made to the consolidated statement of operations for the twelve months ended December 31, 2024 to conform with the current year presentation. There was no impact on the Company's consolidated net income, net change in net assets resulting from operations, net cash used in operations or net cash provided by financing activities as a result of the reclassifications.

Recently Issued Accounting Standards Updates

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 intends to improve reportable segment disclosure requirements, enhance interim disclosure requirements and provide new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods with fiscal years beginning after December 15, 2024. ASU 2023-07 is to be adopted retrospectively to all prior periods presented. The Company adopted this standard for the year ended December 31, 2024.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 intends to improve the transparency of income tax disclosures. ASU 2023-09 was adopted by the Company for the year ended December 31, 2025. See Note 9. "Income Taxes" for tax disclosures.

3. Investments

During the year ended December 31, 2025, the Company invested approximately $126.0 million in three new portfolio companies, IFPG, SDC and USAI, through a combination of debt and equity investments and in additional debt and equity investments in MAP, Clarion, LBR, Milton, Sill and IFPG totaling approximately $55.8 million in the aggregate.

During the year ended December 31, 2024, the Company invested approximately $98.9 million in three new portfolio companies, USAW, LBR and MAP, through a combination of debt and equity investments and in additional debt and equity investments in Sill and MAP totaling approximately $75.0 million in the aggregate.

The Company's investment portfolio is summarized as follows as of December 31, 2025 and 2024 (in thousands):

	As of December 31, 2025			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	4.8 %	4.7 %
Secured	175,826	175,826	12.5	12.4
Second lien	63,206	63,206	4.5	4.5
PIK notes	18,383	18,611	1.3	1.3
Total senior secured debt	324,405	324,633	23.1	22.9
Preferred equity	77,480	81,285	5.8	5.7
Common equity	627,641	998,174	71.1	70.4
Total investments	**$ 1,029,526**	**$ 1,404,092**	**100.0 %**	**99.0 %**

	As of December 31, 2024			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	5.9 %	5.4 %
Secured	148,576	148,576	13.0	12.1
Second lien	76,718	76,718	6.7	6.2
Total senior secured debt	292,284	292,284	25.6	23.7
Preferred equity	62,070	61,155	5.4	5.0
Common equity	538,586	787,420	69.0	64.0
Total investments	**$ 892,940**	**$ 1,140,859**	**100.0 %**	**92.7 %**

FOOTNOTE:

(1) The amortized cost represents the original cost adjusted for PIK income.

Collectively, the Company's debt investments accrue interest at a weighted average per annum rate of 15.6% and have weighted average remaining years to maturity of 4.1 years as of December 31, 2025. The note purchase agreements contain customary covenants and events of default. As of December 31, 2025, all of the Company's portfolio companies were in compliance with their respective debt covenants.

As of December 31, 2025 and 2024, none of the Company's debt investments were on non-accrual status.

The industry dispersion of the Company's portfolio company investments, based on fair value, as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
Industry	**2025**	**2024**
Healthcare Supplies	14.1 %	17.0 %
Insurance Services[(1)]	12.4	—
Commercial and Professional Services	11.3	13.0
Retirement Plan Services	10.9	10.1
Engineered Products	10.4	12.4
Legal Services[(2)]	9.4	—
Visual Safety Solutions	9.3	7.9
Franchise Consulting Services	8.5	—
Information Services and Advisory Solutions	6.0	12.2
Real Estate Services	5.2	6.3
Hobby Goods and Supplies	1.9	2.5
Restaurant and Food	0.6	—
Business Services	—	13.9
Sanitation Products	—	4.7
Total	100.0 %	100.0 %

FOOTNOTE:

(1) Included in Business Services industry as of December 31, 2024. The Company disaggregated this category as of December 31, 2025.

(2) Included in Business Services and Information Services and Advisory Solutions industries as of December 31, 2024. The Company disaggregated these categories as of December 31, 2025.

Summarized Portfolio Company Financial Information

The following tables present audited summarized operating data for the years ended December 31, 2025 and 2024, and summarized balance sheet data as of December 31, 2025 and December 31, 2024 for the Company's portfolio companies where the Company has a significant influence or control (in thousands):

Summarized Operating Data

	Year Ended December 31, 2025					
	Lawn Doctor	Clarion	TacMed	Sill	MAP	Other[1][2]
Revenues	$ 47,833	$ 32,508	$ 45,733	$ 41,270	$ 44,354	$ 181,398
Expenses	(42,814)	(30,282)	(48,658)	(37,369)	(47,782)	(175,931)
Income (loss) before taxes	5,019	2,226	(2,925)	3,901	(3,428)	5,467
Income tax (expense) benefit	(1,608)	(626)	437	(664)	(152)	(783)
Consolidated net income (loss)	3,411	1,600	(2,488)	3,237	(3,580)	4,684
Net loss attributable to non-controlling interests	359	—	—	—	—	—
Net income (loss)	$ 3,770	$ 1,600	$ (2,488)	$ 3,237	$ (3,580)	$ 4,684

	Year Ended December 31, 2024							
	Lawn Doctor	Polyform	Round-tables	HSH	Vektek	TacMed	Sill	Other[3][4]
Revenues	$ 45,264	$ 18,951	$ 17,890	$ 35,002	$ 35,260	$ 47,239	$ 22,311	$ 105,530
Expenses	(40,656)	(19,562)	(16,208)	(31,765)	(34,857)	(49,116)	(22,797)	(112,458)
Income (loss) before taxes	4,608	(611)	1,682	3,237	403	(1,877)	(486)	(6,928)
Income tax (expense) benefit	(1,479)	148	(329)	(722)	(16)	417	(911)	8
Consolidated net income (loss)	3,129	(463)	1,353	2,515	387	(1,460)	(1,397)	(6,920)
Net loss attributable to non-controlling interests	259	—	—	—	—	—	—	—
Net income (loss)	$ 3,388	$ (463)	$ 1,353	$ 2,515	$ 387	$ (1,460)	$ (1,397)	$ (6,920)

Summarized Balance Sheet Data

	As of December 31, 2025					
	Lawn Doctor	Clarion	TacMed	Sill	MAP	Other[1]
Current assets	$ 9,867	$ 16,070	$ 21,335	$ 13,812	$ 16,270	$ 46,993
Non-current assets	88,066	82,914	85,045	109,240	116,603	404,836
Current liabilities	10,181	4,963	5,524	6,946	9,158	23,512
Non-current liabilities	62,667	23,524	34,224	18,186	22,888	192,412
Non-controlling interest	(444)	—	—	—	—	—
Stockholders' equity	25,529	70,497	66,632	97,920	100,827	235,905
Ownership percentage[5]	61%	95 %	95 %	93 %	57 %	[6]

	As of December 31, 2024							
	Lawn Doctor	Polyform	Round-tables	HSH	Vektek	TacMed	Sill	Other[4]
Current assets	$ 10,387	$ 8,080	$ 2,378	$ 11,077	$ 13,499	$ 23,757	$ 12,039	$ 39,793
Non-current assets	88,332	23,669	57,139	31,351	96,611	87,533	107,938	306,808
Current liabilities	8,821	1,748	2,753	4,604	1,768	6,031	5,585	20,106
Non-current liabilities	62,560	20,458	20,940	27,599	49,375	34,456	18,908	101,202
Non-controlling interest	(12)	—	—	—	—	—	—	—
Stockholders' equity	27,350	9,543	35,824	10,225	58,967	70,803	95,484	225,293
Ownership percentage[5]	61%	87%	81%	75%	84%	95 %	93 %	[7]

FOOTNOTES:

(1) Includes aggregate summarized financial information for six of the Company's controlled investments (Polyform, Roundtables, HSH, ATA, Vektek and IFPG), each of which was individually less than 10% significance for the periods presented.

(2) Summarized operating data presented for IFPG is for the period from June 23, 2025 (the date the Company acquired its investment) to December 31, 2025.

(3) Includes aggregate summarized financial information for four of the Company's controlled investments (Douglas, ATA, Clarion and MAP), each of which was individually less than 10% significance for the periods presented.

(4) Summarized operating data presented for MAP is for the periods from July 20, 2024 (the date the Company acquired its investment) to December 31, 2024.

(5) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

(6) As of December 31, 2025, the Company owned approximately 87% of Polyform, 81% of Roundtables, 75% of HSH, 75% of ATA, 84% of Vektek and 91% of IFPG.

(7) As of December 31, 2024, the Company owned approximately 90% of Douglas, 75% of ATA, 96% of Clarion and 57% of MAP.

4. Fair Value of Financial Instruments

The Company's investments were categorized in the fair value hierarchy described in Note 2. "Significant Accounting Policies," as follows as of December 31, 2025 and 2024 (in thousands):

	As of December 31, 2025				As of December 31, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Senior Debt	$ —	$ —	$ 324,633	$ 324,633	$ —	$ —	$ 292,284	$ 292,284
Preferred Equity	—	—	81,285	81,285	—	—	61,155	61,155
Common Equity	—	—	998,174	998,174	—	—	787,420	787,420
Total investments	**$ —**	**$ —**	**$ 1,404,092**	**$ 1,404,092**	**$ —**	**$ —**	**$ 1,140,859**	**$ 1,140,859**

The ranges of unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of December 31, 2025 and 2024 were as follows (in thousands):

As of December 31, 2025					
Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input [2]**
Senior Debt	$ 323,829	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
	804	Transaction Precedent	Transaction Price	N/A	N/A
Preferred Equity	81,285	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
Common Equity	993,978	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 17.0% (13.7%) 5.7x – 20.4x (12.8x)	Decrease Increase
	4,196	Transaction Precedent	Transaction Price	N/A	N/A
Total	**$ 1,404,092**				

As of December 31, 2024					
Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input [2]**
Senior Debt	$ 292,284	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Preferred Equity	61,155	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase

Common Equity	787,420	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Total	**$ 1,140,859**				

FOOTNOTES:

(1) Discount rates are relative to the enterprise value of the portfolio companies and are not the market yields on the associated debt investments. Unobservable inputs were weighted by the relative fair value of the investments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.

The preceding tables include the significant unobservable inputs as they relate to the Company's determination of fair values for its investments categorized within Level 3 as of December 31, 2025 and 2024. In addition to the techniques and inputs noted in the tables above, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the fair value estimates for the Company's investments. Any significant increases or decreases in the unobservable inputs would result in significant increases or decreases in the fair value of the Company's investments.

Investments that do not have a readily available market value are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a present value amount range. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors the Company may take into account to determine the fair value of its investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

The following tables provide a reconciliation of investments for which Level 3 inputs were used in determining fair value for the years ended December 31, 2025 and 2024 (in thousands):

	Year Ended December 31, 2025			
	Senior Debt	**Preferred Equity**	**Common Equity**	**Total**
Fair value balance as of January 1, 2025	$ 292,284	$ 61,155	$ 787,420	$ 1,140,859
Additions	46,907	7,855	127,010	181,772
Disposals and repayments of debt investments	(15,000)	—	(35,500)	(50,500)
Principal repayments	(250)	—	—	(250)
PIK income	465	7,556	—	8,021
Return of capital[1]	—	—	(2,457)	(2,457)
Net change in unrealized appreciation, including unrealized foreign currency gain	227	4,719	121,701	126,647
Fair value balance as of December 31, 2025	$ 324,633	$ 81,285	$ 998,174	$ 1,404,092
Change in net unrealized appreciation on investments held as of December 31, 2025	$ 227	$ 4,719	$ 125,258	$ 130,204

	Year Ended December 31, 2024			
	Senior Debt	Preferred Equity	Common Equity	Total
Fair value balance as of January 1, 2024	$ 276,158	$ —	$ 600,685	$ 876,843
Additions	16,376	59,313	98,217	173,906
Principal repayment	(250)	—	—	(250)
PIK income	—	2,755	—	2,755
Return of capital[(1)]	—	—	(3,448)	(3,448)
Net change in unrealized appreciation	—	(913)	91,966	91,053
Fair value balance as of December 31, 2024	$ 292,284	$ 61,155	$ 787,420	$ 1,140,859
Change in net unrealized appreciation on investments held as of December 31, 2024	$ —	$ (913)	$ 91,966	$ 91,053

FOOTNOTES:

(1) Represents portion of distributions received which were accounted for as a return of capital. See Note 2. "Significant Accounting Policies" for information on the accounting treatment of distributions from portfolio companies.

5. Related Party Transactions

The Manager and Sub-Manager, along with certain affiliates of the Manager or Sub-Manager, receive fees and compensation in connection with the Public Offerings, as well as the acquisition, management and sale of the assets of the Company, as follows:

Managing Dealer

Commissions — The Company pays CNL Securities Corp. (the "Managing Dealer"), an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Second Follow-On Public Offering (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.

Dealer Manager Fee — The Company pays the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and 1.75% of the price of each Class T share sold in the Second Follow-On Public Offering (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.

Distribution and Shareholder Servicing Fee — The Company pays the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee, subject to certain limits, that is allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase.

Manager and/or Sub-Manager

Offering Costs — The Company reimburses the Manager and the Sub-Manager, along with their respective affiliates, for the offering costs (other than selling commissions and dealer manager fees) they have incurred on the Company's behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. The Company incurred an obligation to reimburse the Manager and Sub-Manager for approximately $1.9 million and $1.3 million in organization and offering costs based on actual amounts raised through the Public Offerings during the years ended December 31, 2025 and 2024, respectively.

Base Management Fee to Manager and Sub-Manager — The Company pays each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement described below. The Company incurred base management fees of approximately $24.0 million and $18.1 million during the years ended December 31, 2025 and 2024, respectively.

The base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares of a particular class, 2% of the product of (x) the Company's average gross assets and (y) the ratio of Non-founder shares Average Adjusted Capital (as defined below), for a particular class to total Average Adjusted Capital and (ii) for the Founder shares of a particular class, 1% of the product of (x) the Company's average gross assets and (y) the ratio of outstanding Founder shares Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The management fee for a certain month is calculated based on the average value of the Company's gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets reflects changes in the fair market value of the Company's assets, which does not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation or depreciation. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below. For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. "Adjusted Capital" is defined as cumulative proceeds generated from sales of the Company's shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of upfront selling commissions and dealer manager fees ("sales load"), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, and adjusted for share conversions, if any, for such class.

Total Return Incentive Fee on Income to the Manager and Sub-Manager — The Company also pays each of the Manager and the Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. The Company recorded total return incentive fees of approximately $30.3 million and $24.1 million during the years ended December 31, 2025 and 2024, respectively.

The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. The Company accrues (but not pays) the total return incentive fee on a monthly basis, to the extent that it is earned on an annualized basis. The Company performs a final reconciliation of the total return incentive fee calculation at the completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below.

For purposes of this calculation, "Total Return to Shareholders" for each annualized period is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of each calendar month end. The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" mean the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares or Founder shares, as applicable.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annualized Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").
- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-Founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.

- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular class exceeds 7.777% in any calendar year.
- For any annualized period in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.
- For purposes of calculating the Total Return to Shareholders, the change in the Company's net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the Company since inception, adjusted for any special distributions resulting from the sale of the Company's assets, provided such adjustment is approved by the Company's board of directors. If, as of each calendar year end, the Company's net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in the Company's net asset value for such share class in excess of the High Water Mark, and (B) if the Company's net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in the Company's per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in the Company's per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. With respect to the calculation of Total Returns to Shareholders, the following table provides the applicable High Water Marks for the years ended December 31, 2025 and 2024:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2025	$ 39.55	$ 35.68	$ 35.72	$ 35.42	$ 36.12	$ 40.09
December 31, 2024	36.67	33.57	33.64	33.31	34.06	37.25

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable quarter. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar quarter end.

Reimbursement to Manager and Sub-Manager for Operating Expenses and Pursuit Costs — The Company reimburses the Manager and the Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to the Company, including fees, costs, expenses, liabilities and obligations relating to the Company's activities, acquisitions, dispositions, financings and business, subject to the terms of the Company's limited liability company agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement (as defined below). The Company does not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for the benefit of the Company.

Expense Support and Conditional Reimbursement Agreement — The Company entered into an expense support and conditional reimbursement agreement with the Manager and the Sub-Manager, as amended, (the "Expense Support and Conditional Reimbursement Agreement"), which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that the Company's annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of the

Company's distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support and Conditional Reimbursement Agreement (the "Expense Support").

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Until the Expense Support and Conditional Reimbursement Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager. Expense support is paid by the Manager and Sub-Manager annually in arrears.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), the Company uses such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support and Conditional Reimbursement Agreement. The Company's obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, the Company has received cumulative Expense Support from the Manager and Sub-Manager of approximately $5.1 million. During the year ended December 31, 2025, the Company recorded Expense Support due from the Manager and Sub-Manager of $1.0 million. During the year ended December 31, 2024, the Company recorded reimbursement of Expense Support of approximately less than $0.1 million. Expense support (reimbursement) is paid by (to) the Manager and Sub-Manager annually in arrears.

Distributions

Individuals and entities affiliated with the Manager and Sub-Manager owned approximately 0.4 million shares as of December 31, 2025 and 2024. These individuals and entities received distributions from the Company of approximately $0.5 million during the years ended December 31, 2025 and 2024.

Summary of Related Party Fees and Expenses

Related party fees and expenses incurred for the years ended December 31, 2025 and 2024 are summarized below (in thousands):

Related Party	Source Agreement & Description	Years Ended December 31, 2025	2024
Managing Dealer	Managing Dealer Agreement:		
	Commissions [1]	$ 624	$ 2,282
	Dealer manager fees [1]	358	322
	Distribution and shareholder servicing fees [2]	1,336	1,313
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:		
	Offering expense reimbursement[3][4]	1,893	1,265
	Base management fees[3]	23,993	18,083
	Total return incentive fees[3]	30,321	24,119
Manager and Sub-Manager	Agreement:		
	Expense Support	(950)	(20)
Manager	Administrative Services Agreement:		
	Reimbursement of third-party operating expenses[3][5]	130	511
	Shareholder servicing fees[2]	660	—
Sub-Manager	Sub-Management Agreement:		
	Reimbursement of third-party pursuit costs[3][6]	1,264	1,301

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in the Company's consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in the Company's condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on the Company's consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in the Company's consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	2024
Due from related parties		
Expense Support	$ 950	$ 20
Total due from related parties	$ 950	$ 20
Due to related parties:		
Total return incentive fees	$ (30,321)	$ (24,119)
Base management fees	(2,222)	(1,758)
Offering expenses	(65)	(138)
Distribution and shareholder servicing fees	(115)	(115)
Reimbursement of third-party operating expenses and pursuit costs	(17)	(276)
Total due to related parties	$ (32,740)	$ (26,406)
Due to related parties, net	$ (31,790)	$ (26,386)

6. Distributions

The Company's board of directors declared distributions on a monthly basis in each of the years ended December 31, 2025 and 2024. The following table reflects the total distributions declared during the years ended December 31, 2025 and 2024 (in thousands except per share data):

Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested
Year ended December 31, 2025	$ 42,793	$ 21,706	$ 21,087
Year ended December 31, 2024	37,899	18,145	19,754

FOOTNOTES:

(1) The Company's board of directors declared distributions per share on a monthly basis. See Note 12. "Financial Highlights" for distributions declared by share class. Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 - December 31, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 - December 31, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

The sources of declared distributions on a GAAP basis were as follows (in thousands):

	Years Ended December 31,			
	2025		2024	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income[1]	$ 21,244	49.6 %	$ 21,085	55.6 %
Net realized gain	1,928	4.5	—	—
Distributions in excess of net investment income and realized gains[2]	19,621	45.9	16,814	44.4
Total distributions declared	$ 42,793	100.0 %	$ 37,899	100.0 %

FOOTNOTES:

(1) Net investment income includes expense support (reimbursement) of $950 and $20 for the years ended December 31, 2025 and 2024, respectively. See Note 5. "Related Party Transactions" for additional information.

(2) Consists of distributions made from offering proceeds and realized gains for the periods presented.

In December 2025, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on January 26, 2026 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

7. Capital Transactions

Public Offerings

Under the Second Follow-On Public Offering, the Company has offered and continues to offer up to $1.0 billion of shares, on a best efforts basis, which means that CNL Securities Corp., as the Managing Dealer of the Second Follow-On Public Offering, uses its best effort but is not required to sell any specific amount of shares. The Company is offering, in any combination, four classes of shares in the Second Follow-On Public Offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in shares. There are differing selling fees and commissions for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The public offering price, selling commissions and dealer manager fees per share class are determined monthly as approved by the Company's board

of directors. As of December 31, 2025, the public offering price was $41.45 per Class A share, $39.70 per Class T share, $37.63 per Class D share and $38.45 per Class I share.

The Company is also offering, in any combination, up to $100.0 million of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to its distribution reinvestment plan. See Note 13. "Subsequent Events" for additional information related to the Second Follow-On Public Offering.

The following tables summarize the total shares issued and proceeds received by share class in connection with the Public Offerings, excluding shares repurchased through the Share Repurchase Program described further below, for the years ended December 31, 2025 and 2024 (in thousands except per share data):

	Year Ended December 31, 2025								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	21	$ 821	$ (49)	$ 772	203	$ 7,450	224	$ 8,222	$ 36.70
Class T	530	20,425	(933)	19,492	43	1,593	573	21,085	36.77
Class D	88	3,194	—	3,194	57	2,068	145	5,262	36.45
Class I	3,280	122,256	—	122,256	285	10,595	3,565	132,851	37.27
	3,919	$ 146,696	$ (982)	$ 145,714	588	$ 21,706	4,507	$ 167,420	$ 37.15

	Year Ended December 31, 2024								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	2,689	$ 93,929	$ (2,026)	$ 91,903	164	$ 5,639	2,853	$ 97,542	$ 34.20
Class T	352	12,630	(578)	12,052	51	1,745	403	13,797	34.25
Class D	504	17,039	—	17,039	57	1,940	561	18,979	33.83
Class I	2,836	98,357	—	98,357	254	8,821	3,090	107,178	34.69
	6,381	$ 221,955	$ (2,604)	$ 219,351	526	$ 18,145	6,907	$ 237,496	$ 34.39

FOOTNOTES:

(1) The Company incurs selling commissions and dealer manager fees on the sale of Class A and Class T shares sold through the Public Offerings. See Note 5. "Related Party Transactions" for additional information.

Share Repurchase Program

In accordance with the Share Repurchase Program the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares is limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). At the sole discretion of the Company's board of directors, the Company may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

During the year ended December 31, 2025, the Company received requests for the repurchase of approximately $74.2 million of the Company's common shares. The Company's board of directors approved the repurchase requests received for the year ended December 31, 2025. During the year ended December 31, 2024, the Company received requests for the repurchase of approximately $57.5 million of the Company's common shares, which did not exceed amounts available for repurchase under the

Share Repurchase Program.

The following table summarizes the shares repurchased during the years ended December 31, 2025 and 2024 (in thousands except per share data):

	Years Ended December 31,					
	2025			2024		
Share Class	Number of Shares	Total Consideration	Average Price Paid per Share	Number of Shares	Total Consideration	Average Price Paid per Share
Class FA	293	$ 12,138	$ 41.43	162	$ 6,076	$ 37.44
Class A	221	8,227	37.09	135	4,624	34.20
Class T	127	4,747	37.34	153	5,175	34.04
Class D	166	5,991	36.32	121	4,154	34.33
Class I	1,122	42,116	37.56	1,031	36,078	35.02
Class S	24	1,013	42.04	36	1,387	38.44
Total	1,953	$ 74,232	$ 38.03	1,638	$ 57,494	$ 35.13

As of December 31, 2025 and 2024, the Company had a payable for shares repurchased of approximately $28.1 million and $19.2 million, respectively.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the year ended December 31, 2025, approximately 787,000 Class T shares were converted to approximately 786,000 Class A shares at an average conversion rate of 1.00. During the year ended December 31, 2024, approximately 368,000 Class T shares were converted to approximately 368,000 Class A shares at an average conversion rate of 1.00.

8. Borrowings

In February 2024, CNL Strategic Capital B, Inc. (“Borrower”), a wholly-owned subsidiary of the Company and Valley National Bank, entered into a Revolving Loan Agreement (the “2024 Loan Agreement”) for a $50.0 million revolving line of credit (the “2024 Line of Credit”). In connection with the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.2 million. The Borrower is required to pay interest on any borrowed amounts under the 2024 Line of Credit at a rate per year equal to the 1-Month Term secured overnight financing rate (“SOFR”) plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of 0.15% on the difference between (i) total 2024 Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the 2024 Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the 2024 Loan Agreement at any time and such borrowings are required to be repaid within 180 days of the borrowing date. Under the 2024 Loan Agreement, the Company is required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by the Company.

In February 2024, the Company entered into a Guaranty agreement to act as a guarantor of the Borrower’s outstanding borrowings under the 2024 Loan Agreement (the “Guaranty Agreement”). On February 15, 2024, the Borrower and the Company also entered into a pledge and assignment of bank and deposit accounts (“2024 Pledge Agreement”) in favor of Valley National Bank. Under the 2024 Pledge Agreement, the Company is required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company’s offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the 2024 Loan Agreement.

In February 2025, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to February 15, 2026. The amendment additionally grants Valley National Bank the ability to increase the maximum commitment by an additional $50.0 million at their discretion. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million.

The Company borrowed and repaid $30.0 million under the 2024 Line of Credit during the year ended December 31, 2025. The Company had not borrowed any amounts under the 2024 Line of Credit during the year ended December 31, 2024.

9. Income Taxes

The Company incurs income tax expense (benefit) related to its Taxable Subsidiaries. The components of income tax expense (benefit) were as follows during the years ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,	
	2025	2024
Current:		
Federal	$ 97	$ 26
State	13	3
Total current tax expense	110	29
Deferred:		
Federal	12,564	2,263
State	501	119
Total deferred tax expense	13,065	2,382
Income tax expense	$ 13,175	$ 2,411

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2025 and 2024 were as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Carryforwards for net operating loss	$ 4,754	$ 1,818
Other	12	45
Valuation allowance	(234)	(383)
Total deferred tax assets	4,532	1,480
Deferred tax liabilities:		
Unrealized appreciation on investments	(27,441)	(11,324)
Total deferred tax liabilities	(27,441)	(11,324)
Deferred tax liabilities, net	$ (22,909)	$ (9,844)

A reconciliation of the income tax expense computed at the statutory federal tax rate on income before income taxes is as follows:

	Years Ended December 31,			
	2025		2024	
Tax expense computed at the federal statutory rate	$ 31,485	21.0 %	$ 23,555	21.0 %
Nontaxable and nondeductible items				
Benefit of partnership structure	(18,675)	(12.5)	(20,325)	(19.0)
State income tax expense net of federal benefit	514	0.4	122	0.1
Reduction in valuation allowance	(149)	(0.1)	(941)	—
Income tax expense	$ 13,175	8.8 %	$ 2,411	2.1 %

The Company's taxable subsidiary entities had net operating loss carryforwards for federal and state purposes of approximately $17.8 million and $11.3 million as of December 31, 2025 and 2024, respectively, to offset future taxable income. The federal net operating loss carryforwards do not expire. State net operating loss carryforwards are currently subject to various expirations. The Company and taxable subsidiary entities file income tax returns for federal and various state jurisdictions.

10. Concentrations of Risk

The Company had five portfolio companies which met at least one of the significance tests under Rule 4-08(g) of Regulation S-X (the "Significance Tests") for at least one of the periods presented in the consolidated financial statements.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on the Company's results of operations and cash flows from operations, which would impact its ability to make distributions to shareholders.

11. Commitments & Contingencies

See Note 5. "Related Party Transactions" for information on contingent amounts due to the Manager and Sub-Manager for the reimbursement of offering costs under the Public Offerings and for the reimbursement of Expense Support.

From time to time, the Company and officers or directors of the Company may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its businesses. As of December 31, 2025, the Company was not involved in any legal proceedings.

In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company. However, based on experience, the Company expects that risk of loss to be remote.

12. Financial Highlights

The following are schedules of financial highlights of the Company attributed to each class of shares for the years ended December 31, 2025 and 2024 (in thousands except per share data):

	Year Ended December 31, 2025					
	Class FA Shares	**Class A Shares**	**Class T Shares**	**Class D Shares**	**Class I Shares**	**Class S Shares**
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Year	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net investment income, before reimbursement of Expense Support[1]	1.40	0.51	0.16	0.38	0.43	1.37
Expense Support (reimbursement)[1]	—	—	—	—	0.06	—
Net investment income[1]	1.40	0.51	0.16	0.38	0.49	1.37
Net realized and unrealized gains, net of taxes[1][2]	3.28	3.27	3.27	3.27	3.28	3.27
Net increase resulting from investment operations	**4.68**	**3.78**	**3.43**	**3.65**	**3.77**	**4.64**
Distributions to shareholders[3]	(1.25)	(1.25)	(1.00)	(1.13)	(1.25)	(1.25)
Net decrease resulting from distributions to shareholders	**(1.25)**	**(1.25)**	**(1.00)**	**(1.13)**	**(1.25)**	**(1.25)**
Net Asset Value, End of Year	**$ 42.98**	**$ 38.21**	**$ 38.15**	**$ 37.94**	**$ 38.64**	**$ 43.48**
Net assets, end of period	$ 160,072	$ 344,908	$ 82,816	$ 115,767	$ 641,400	$ 73,394
Average net assets[4]	$ 160,472	$ 309,922	$ 86,018	$ 110,267	$ 563,948	$ 70,528
Shares outstanding, end of period	3,724	9,026	2,171	3,051	16,598	1,688
Distributions declared	$ 4,910	$ 10,806	$ 2,355	$ 3,440	$ 19,151	$ 2,131
Total investment return based on net asset value before total return incentive fee[5]	13.45 %	13.44 %	12.38 %	13.12 %	13.11 %	13.11 %

	Year Ended December 31, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Total investment return based on net asset value after total return incentive fee[5]	11.72 %	10.80 %	9.75 %	10.47 %	10.63 %	11.77 %
RATIOS/SUPPLEMENTAL DATA:						
Ratios to average net assets:[4][6]						
Total operating expenses before total return incentive fee	1.14 %	2.74 %	3.66 %	3.09 %	2.98 %	1.26 %
Total operating expenses before Expense Support (reimbursement)	2.40 %	5.40 %	5.97 %	5.62 %	5.53 %	2.51 %
Total operating expenses after Expense Support (reimbursement)	2.40 %	5.40 %	5.97 %	5.62 %	5.37 %	2.51 %
Net investment income before total return incentive fee[7]	4.69 %	4.08 %	2.76 %	3.58 %	3.88 %	4.55 %
Net investment income	3.42 %	1.42 %	0.45 %	1.05 %	1.33 %	3.30 %

	Year Ended December 31, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Year	**$ 36.67**	**$ 33.57**	**$ 33.64**	**$ 33.31**	**$ 34.06**	**$ 37.25**
Net investment income before reimbursement of Expense Support[1]	1.37	0.57	0.32	0.46	0.54	1.33
Expense Support (reimbursement)[1]	—	—	—	—	—	—
Net investment income[1]	1.37	0.57	0.32	0.46	0.54	1.33
Net realized and unrealized gains, net of taxes[1][2]	2.76	2.79	2.76	2.78	2.77	2.76
Net increase resulting from investment operations	**4.13**	**3.36**	**3.08**	**3.24**	**3.31**	**4.09**
Distributions to shareholders[3]	(1.25)	(1.25)	(1.00)	(1.13)	(1.25)	(1.25)
Net decrease resulting from distributions to shareholders	**(1.25)**	**(1.25)**	**(1.00)**	**(1.13)**	**(1.25)**	**(1.25)**
Net Asset Value, End of Year	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net assets, end of period	$ 158,883	$ 293,921	$ 89,686	$ 108,794	$ 511,284	$ 68,640
Average net assets[4]	$ 154,042	$ 225,413	$ 88,570	$ 98,277	$ 460,465	$ 66,268
Shares outstanding, end of period	4,017	8,238	2,511	3,072	14,154	1,712
Distributions declared	$ 5,122	$ 8,203	$ 2,586	$ 3,253	$ 16,565	$ 2,170
Total investment return based on net asset value before total return incentive fee[5]	12.72 %	12.44 %	11.72 %	12.32 %	12.33 %	12.47 %
Total investment return based on net asset value after total return incentive fee[5]	11.20 %	10.23 %	9.32 %	9.91 %	9.93 %	11.20 %
RATIOS/SUPPLEMENTAL DATA:						
Ratios to average net assets:[4][6]						
Total operating expenses before total return incentive fee	1.11 %	2.66 %	3.37 %	2.98 %	2.62 %	1.21 %
Total operating expenses before Expense Support (reimbursement)	2.33 %	5.28 %	5.60 %	5.41 %	5.05 %	2.40 %
Total operating expenses after Expense Support (reimbursement)	2.33 %	5.28 %	5.60 %	5.41 %	5.05 %	2.40 %
Net investment income before total return incentive fee	4.86 %	4.28 %	3.18 %	3.79 %	4.00 %	4.68 %
Net investment income	3.65 %	1.67 %	0.95 %	1.36 %	1.57 %	3.50 %

FOOTNOTES:

(1) The per share amounts presented are based on weighted average shares outstanding during the period.

(2) The amount shown at this caption is the balancing figure derived from the other figures in the schedule. The amount shown at this caption for a share outstanding throughout the period may not agree with the change in the aggregate gains and losses in portfolio investments for the period because of the timing of sales and repurchases of the Company's shares in relation to fluctuating fair values for the portfolio investments.

(3) The per share data for distributions is the actual amount of distributions paid or payable per common share outstanding during the entire period; distributions per share are rounded to the nearest $0.01.

(4) The computation of average net assets during the period is based on net assets measured at each month end, adjusted for capital contributions or withdrawals during the month.

(5) Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA assumes distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class, including Class S shares which do not participate in the distribution reinvestment plan. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee described in Note 5. "Related Party Transactions." Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by shareholders in the purchase of the Company's shares.

(6) Actual results may not be indicative of future results. Additionally, an individual investor's ratios may vary from the ratios presented for a share class as a whole.

(7) Amounts represent net investment income before total return incentive fee and related expense support as a percentage of average net assets. For the twelve months ended December 31, 2025, approximately 7% of total return incentive fees for Class I were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T, Class D and Class S were covered by Expense Support. For the twelve months ended December 31, 2024, less than 1% of total return incentive fees for Class I were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T, Class D and Class S were covered by Expense Support.

13. Subsequent Events

Distributions

In January, February and March 2026, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on February 26, 2026, March 26, 2026 and April 27, 2026, respectively, of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

Offerings

In January, February and March 2026, the Company's board of directors approved new per share offering prices for each share class in the Second Follow-On Public Offering. The new offering prices are effective as of January 30, 2026, February 27, 2026 and March 31, 2026, respectively. The following table provides the new offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective January 30, 2026:				
Offering Price, Per Share	$ 41.76	$ 40.05	$ 37.94	$ 38.64
Selling Commissions, Per Share	2.51	1.20	—	—
Dealer Manager Fees, Per Share	1.04	0.70	—	—
Effective February 27, 2026:				
Offering Price, Per Share	$ 41.84	$ 40.10	$ 38.00	$ 38.70
Selling Commissions, Per Share	2.51	1.20	—	—
Dealer Manager Fees, Per Share	1.05	0.70	—	—
Effective March 31, 2026:				
Offering Price, Per Share	$ 41.93	$ 40.20	$ 38.09	$ 38.79
Selling Commissions, Per Share	2.52	1.21	—	—
Dealer Manager Fees, Per Share	1.04	0.70	—	—

Capital Transactions

During the period January 1, 2026 through March 19, 2026, the Company received additional net proceeds from the Second Follow-On Public Offering and distribution reinvestment plan of the following (in thousands except per share data):

	Proceeds from Follow-On Public Offering				Distribution Reinvestment Plan		Total		
Share Class	Shares	Gross Proceeds	Sales Load	Net Proceeds to Company	Shares	Net Proceeds to Company	Shares	Net Proceeds to Company	Average Net Proceeds per Share
Class A	1	$ 43	$ (4)	$ 39	33	$ 1,279	34	$ 1,318	$ 38.25
Class T	45	1,782	(84)	1,698	7	256	52	1,954	38.17
Class D	7	264	—	264	9	350	16	614	37.97
Class I	495	19,150	—	19,150	52	2,000	547	21,150	38.67
	548	$ 21,239	$ (88)	$ 21,151	101	$ 3,885	649	$ 25,036	$ 38.59

Borrowings

In February 2026, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to May 15, 2026.

Item 9. Changes in and Disagreement with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures are effective at the reasonable assurance level as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by us in the reports we filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the relevant SEC rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file and submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act.

In connection with the preparation this Annual Report, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making that assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013).

Based on its assessment, our management believes that, as of December 31, 2025, our internal control over financial reporting was effective based on those criteria. During the most recent fiscal quarter, there were no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Board of Directors, Director Nominee and Executive Officers

Our business and affairs are managed under the direction of our board of directors, as provided by our LLC Agreement, and Delaware law. Our board of directors is responsible for the direction and control of our affairs. Our board of directors consists of five directors and has established our audit committee comprised of independent directors and may establish additional committees from time to time as necessary. Pursuant to our LLC Agreement, the number of directors on our board of directors may not be fewer than the minimum number required by applicable Delaware law. A majority of our board of directors is comprised of "independent" directors as defined our LLC Agreement. A copy of our LLC Agreement is posted on our website at www.cnlstrategiccapital.com.

Our board of directors is divided into three classes of directors serving staggered terms of three years each, with a term of office of one of the three classes of directors expiring at each annual meeting of shareholders. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualified. At each annual meeting of our shareholders, the successors to the class of directors whose term expires at such meeting will be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election. We believe that the longer time required to elect a majority of a classified board of directors will help to ensure the continuity and stability of our management and policies. Accordingly, Messrs. Seneff and Linsz will be standing for re-election as our Class II nominees at the 2026 annual meeting of shareholders.

In considering nominations for its directors, our board of directors utilizes a diverse group of experiences, characteristics, attributes and skills that our board of directors believes enables a director to make a significant contribution to our board of directors, us and our shareholders. These experiences, characteristics, attributes and skills, which are more fully described below, include, but are not limited to, management experience, independence, financial expertise and experience serving as a director of other entities. Our board of directors may also consider such other experiences, characteristics, attributes and skills as it deems appropriate, given the then-current needs of our board of directors and us. Although our board of directors does not have any formal policy regarding the amount of diversity needed on our board of directors, diversity is one of the factors considered by our board of directors in assessing the composition of our board of directors.

The following table sets forth certain information regarding the independent directors, the independent director nominee, the interested director, and the interested director nominee, as well as our executive officers. Unless otherwise noted, the address for each director is c/o CNL Strategic Capital, LLC, CNL Center at City Commons, 450 South Orange Avenue, Suite 1400, Orlando, Florida 32801. Our directors and executive officers as of March 19, 2026 were as follows:

Name	Age	Position
Interested Directors		
James M. Seneff, Jr	79	Chairman of the Board and Director (Class II)
Andrew M Schwartz	45	Director (Class III)
Independent Directors		
Robert J. Woody	82	Director (Class III)
Mark D. Linsz	61	Director (Class II)
Benjamin A. Posen	58	Director (Class I)
Executive Officers		
Chirag J. Bhavsar	57	Chief Executive Officer
Tammy J. Tipton	65	Chief Financial Officer, Interim Chief Operating Officer
Paul W. Drury	64	Senior Managing Director

Interested Directors

James M. Seneff*, Chairman of our board of directors.* - Mr. Seneff has served as Chairman of our board of directors since 2017. Mr. Seneff served as Chairman of the board of directors, from May 2011 to June 2016 and from January 2018 to present, and as a director since inception in June 2010 to June 2016, and from January 2018 to present of CNL Healthcare Properties, Inc., a public, non-traded real estate income trust ("REIT"). Mr. Seneff has served as the Chairman of its advisor, CNL Healthcare Corp., since its inception in June 2010. Mr. Seneff has served as Chairman of the board of directors and a director of CNL Lifestyle Properties, Inc., a public, non-traded REIT (2003 to 2017), a director of the managing member of its initial advisor, CNL Lifestyle Company, LLC (2003 to December 2010), and a director of its successor advisor, CNL Lifestyle Advisor Corporation (December 2010 to 2017). He served as Chairman of the board of directors and a director of CNL Growth Properties, Inc., a public, non-traded REIT, from August 2009 and December 2008, respectively, until 2016 and served as a manager of its advisor, CNL Global Growth Advisors, LLC, from 2008 to 2017. Mr. Seneff also served as Chairman of the board of directors and a director of Global Income Trust, Inc., another public, non-traded REIT, from April 2009 until its dissolution in December 2015, and served as manager of its advisor until December 2016. Mr. Seneff is the sole member of CNL Holdings, LLC ("CNL Holdings"), and has served as the Chairman, Chief Executive Officer and/or President of several of CNL Holdings' subsidiaries, including Chief Executive Officer and President (2008 to 2013) of CNL Financial Group, LLC ("CFG"), and as Executive Chairman (January 2011 to present), Chairman (1988 to January 2011), Chief Executive Officer (1995 to January 2011) and President (1980 to 1995) of CNL Financial Group, Inc. ("CNL Financial Group"), a diversified real estate company. Mr. Seneff serves or has served on the board of directors of the following CNL Holdings' affiliates: CNL Hotels & Resorts, Inc., a public, non-traded REIT (1996 to April 2007), and its advisor, CNL Hospitality Corp. (1997 to June 2006 (became self-advised)); CNL Retirement Properties, Inc., a public, non-traded REIT, and its advisor, CNL Retirement Corp. (1997 to October 2006); CNL Restaurant Properties, Inc., a public, non-traded REIT, and its advisor (1994 to 2005 (became self-advised)); Trustreet Properties, Inc., a publicly traded REIT (2005 to February 2007); National Retail Properties, Inc., a publicly traded REIT (1994 to 2005); CNL Securities Corp., a FINRA-registered broker-dealer and the Managing Dealer of this offering (1979 to 2013); and CNL Capital Markets Corp. (1990 to 2017). Mr. Seneff was also the Chairman and a principal stockholder of CNLBancshares, Inc. (1999 to 2015), which owned CNLBank until it merged into Valley National Bank in 2015. Mr. Seneff received his Bachelor of Arts in business administration from Florida State University.

Mr. Seneff was selected as one of our directors because of his particular knowledge and experience in capital raising, particularly with regard to equity offerings and debt transactions, which strengthens our board of directors' collective knowledge, capabilities and experience. In addition, we believe that Mr. Seneff's experience is valuable to our board of directors in its oversight of regulatory and compliance requirements as well as its exercise of fiduciary duties to us and our shareholders. Mr. Seneff is principally responsible for overseeing the formulation of our strategic objectives.

Andrew M. Schwartz, *Interested Director*. - Mr. Schwartz has served as a director since November 2025. Mr. Schwartz joined LLCP in 2011 and currently serves as a Partner of LLCP. In this capacity, he is responsible for the day-to-day management of the U.S. Investment Team and is actively involved in sector strategy, deal structuring and due diligence and oversight of the U.S. portfolio. Mr. Schwartz is a member of the Executive and Investment Committees. Prior to joining LLCP, Mr. Schwartz was a Vice President with Liberty Partners, a middle-market private equity firm, and previously an investment banker with Jefferies, both based in New York. Mr. Schwartz attended the University of Pennsylvania where he received a Bachelor of Science in Economics with a Concentration in Finance from The Wharton School and a Bachelor of Science in Engineering in Computer Science and Engineering from the School of Engineering and Applied Science.

Mr. Schwartz was selected as one of our directors because of his prior leadership experience at LLCP and his experience acquiring and managing businesses.

Independent Directors

Robert J. Woody*, Independent Director.* - Mr. Woody has served as an independent director on our board of directors since 2017. Mr. Woody has also served as an independent director of CNL Lifestyle Properties, a public, non-traded REIT, from 2004 to 2017. He served as an independent director of CNL Healthcare Properties, Inc., a public, non-traded REIT, from October 2010 until April 2012. He serves as Managing Partner of Elgin Partners, LLC, the general partner of a private equity limited partnership in Washington, D.C. (November 2008 to present). He serves as Lead Independent Director of U.S. Energy Development Corporation

(2018 to present). He served as deputy chairman and general counsel for Northstar Financial Services Ltd. (2005 through 2008) and as chief executive officer of Northstar Consulting Group, Inc. (2004 through 2005). Mr. Woody was the executive vice president and general counsel for Northstar Companies, Inc., an international wealth management firm, from 2002 until 2004. Before joining Northstar Companies, Inc., Mr. Woody was a partner at the law firm of Shook, Hardy & Bacon, L.L.P. (1997 to 2002). Mr. Woody received a Bachelor of Arts and a Juris Doctor from the University of Kansas and undertook graduate legal study in international law at the University of Exeter, England.

Mr. Woody was selected as one of our three independent directors because of his knowledge of business management and government relations, and his prior board experience.

***Mark D. Linsz**, Independent Director*. - Mr. Linsz has served as an independent director on our board of directors since 2017. Mr. Linsz currently serves as co-founder and senior managing partner of My Next Season, an organization designed to help companies and individuals with career transitions. Mr. Linsz also serves as an independent director for CNL Strategic Residential Credit, Inc. and Commodity & Ingredient Hedging, LLC. Mr. Linsz served as an independent trustee for Corporate Capital Trust II. Mr. Linsz also held a series of senior financial positions at Bank of America from 1998 to 2014, most recently serving as CFO Risk Executive from 2013 to 2014 and Corporate Treasurer from 2009 to 2013. Previously, Mr. Linsz served as Bank of America's Global Markets Risk Executive from 2007 to 2009 and as Chief Risk Officer for Europe, the Middle East, Africa and Asia from 2005 to 2008. Prior to 2005, Mr. Linsz also served as Bank of America's Capital Markets Risk Executive and Head of Compliance for the Global Corporate and Investment Bank. Mr. Linsz began his career with Chicago Research and Trading Group ("CRT") in 1987. Prior to being purchased by NationsBank, he was the head of Market Risk for CRT and continued these responsibilities at NationsBanc-CRT until 1998. Mr. Linsz previously served on the board of directors of the Deposit Trust and Clearing Corporation from 2013 to 2014 and on the board of directors of BlackRock Corporation from 2009 to 2011. Mr. Linsz received a Bachelor of Arts from National Louis University.

Mr. Linsz was selected as one of our three independent directors because of his prior board experience and financial expertise.

***Benjamin A. Posen**, Independent Director*. - Mr. Posen has served as an independent director on our board of directors since 2017. Mr. Posen co-founded Lindbrook Capital LLC, and is responsible for all investment-related activities, including asset allocation and investment research and selection. Prior to Lindbrook, Mr. Posen spent 15 years at Oppenheimer & Co., where he co-formed the Posen/Dritz group and successfully built a team to manage assets for wealthy individuals, foundations and endowments. Mr. Posen started his career in 1993 with Paine Webber. Mr. Posen has been recognized as a partner on one of "America's Top 100 Advisor Teams" by Barron's Magazine, and received a Bachelor of Arts from the University of Minnesota.

Mr. Posen was selected as one of our three independent directors because of his industry experience and because of his investment experience and expertise.

Executive Officers

Chirag J. Bhavsar has served as our Chief Executive Officer since 2017. Mr. Bhavsar also currently serves as Co-Chief Executive Officer and Co-President of CNL Financial Group and Chairman, Director and Chief Executive Officer of CNL Strategic Residential Credit, Inc. Mr. Bhavsar served as Chief Operating Officer from January 1, 2017 to April 9, 2018, Chief Financial Officer from January 1, 2017 to May 1, 2018, and as Chief Executive Officer and Chairman of the board of trustees from December 8, 2017 to April 9, 2018 of Corporate Capital Trust II, a business development company. In addition, Mr. Bhavsar served as Chief Operating Officer and Chief Financial Officer for Corporate Capital Trust, Inc., a business development company, from January 1, 2017 until November 14, 2017. Mr. Bhavsar has spent most of the past 15 years of his career with entities affiliated with CNL Financial Group. Mr. Bhavsar has served in the roles of Executive Vice President, Chief Operating Officer, and Chief Financial Officer for Valley National Bank's Florida Division, from 2015 to 2016, and as the Executive Vice President and Chief Financial Officer of its predecessor, CNLBancshares, Inc., from 2002 to 2015. Mr. Bhavsar is Chairman of the Board of Currency Exchange International Corp., which is a publicly traded company on the Toronto Stock Exchange. Mr. Bhavsar also currently serves as Director and President of Cogent Bank f/k/a Pinnacle Bank, which is a community bank based in Central Florida. Mr. Bhavsar received his Bachelor of Science in Accounting from the University of Florida in 1990, and received a

Master of Science in Accounting from the University of Florida in 1991. Mr. Bhavsar also graduated from University of Virginia's Banking School in 1993. He is a certified public accountant.

Tammy J. Tipton has served as our Chief Financial Officer since 2016 and as our Interim Chief Operating Officer since 2021. Ms. Tipton also currently serves as Chief Financial Officer, Senior Vice President and Treasurer of CNL Healthcare Corp. the advisor to CNL Healthcare Properties, Inc., a public, non-traded REIT. Ms. Tipton also has previously served as Chief Financial Officer, Senior Vice President and Treasurer, since its inception on July 9, 2015, the advisor to CNL Healthcare Properties II, Inc., another public, non-traded REIT. Ms. Tipton also serves as Chief Financial Officer and Treasurer of CNL Strategic Residential Credit, Inc. Ms. Tipton previously served as the Chief Financial Officer and Treasurer of CNL Lifestyle Properties, Inc., another public non-traded REIT from May 2015 to December 2017, and served as Chief Financial Officer from March 2014 to December 2017, and as Senior Vice President from May 2015 to December 2017 of its advisor. She also served as Chief Financial Officer and Treasurer of CNL Growth Properties, Inc., another public, non-traded REIT, from September 2014 to October 2017. She served as Chief Financial Officer and Treasurer of Global Income Trust, Inc., another public, non-traded REIT, from September 2014 until its dissolution in December 2015. She serves as Chief Financial Officer and Senior Vice President of CNL Financial Group where she oversees the strategic finance, accounting, reporting, budgeting, payroll and purchasing functions for CFG and its affiliates. Ms. Tipton also holds various other offices with other CFG affiliates. Ms. Tipton has served in various other financial roles since joining CNL Financial Group in 1987. These roles have included regulatory reporting for 20 public entities and the accounting, reporting and servicing for approximately 30 public and private real estate programs. Ms. Tipton earned a Bachelor of Science in accounting from the University of Central Florida. She is also a certified public accountant.

Paul W. Drury has served in the executive officer role as our Senior Managing Director and on the Investment Committee of the Manager since 2022. Mr. Drury also serves as Senior Managing Director of CNL Financial Group. Prior to joining CNL Financial Group in March of 2022, Mr. Drury served as a Senior Managing Director of the Investment Originations team at LLCP. In this capacity, he was responsible for the origination of new investment opportunities and investment due diligence with a focus on the Midwest region. During his 16 years at LLCP, Mr. Drury assisted to originate multiple new platform investments, including several of our investments. Prior to joining LLCP, Mr. Drury was a Vice President with the CIT Group, a New York-based middle-market lender, where he led the business development efforts throughout the Midwest and was responsible for developing strategic relationships with private equity investors, professional intermediaries and middle market businesses. Mr. Drury received a Bachelor of Science in Finance and Accounting from Texas Tech University and an Master of Business Administration with Honors from the University of Chicago Booth School of Business.

Other Company Officers

Safak Subasi has served us in the officer role as Senior Vice President since 2021. Mr. Subasi joined CNL Financial Group in 2006 and has served in progressive roles focusing on finance management, fund management, operations management, new product development and business analytics. Mr. Subasi also serves as a Senior Vice President, Finance and Fund Operations of CNL Financial Group. In this role, Mr. Subasi has worked to support critical functions within our Manager since the inception of the company. Mr. Subasi also serves as a Senior Vice President of CNL Strategic Capital Partners and CNL Fund Advisors II. Prior to 2006, Mr. Subasi worked for Siemens AG, where he supported multiple business units in finance management. He also worked for Commercial Union Group in Turkey, where he developed financial investment models for clients. Mr. Subasi received his Bachelor of Science in Industrial Engineering from Bosphorus University (Istanbul, Turkey) and his Master of Business Administration with a concentration in Finance from Crummer Graduate School of Business (Rollins College - Winter Park, Florida).

Corporate Governance:

Board Leadership Structure

Our business and affairs are managed under the direction of our board of directors. Among other things, our board of directors sets broad policies for us and approves the appointment of the Manager, the Sub-Manager, the Administrator, the Sub-Administrator and our executive officers. The role of our board of directors, and of any individual director, is one of oversight and not of management of our day-to-day affairs.

Our board of directors understands that there is no single, generally accepted approach to providing board leadership and that given the dynamic and competitive environment in which we operate, the appropriate leadership structure may vary as

circumstances warrant. Under our LLC Agreement, our board of directors may designate one of our directors as chair to preside over meetings of our board of directors and meetings of shareholders, and to perform such other duties as may be assigned to him or her by our board of directors. Presently, Mr. Seneff serves as Chairman of the Board and is an "interested person" by virtue of his professional association with CNL Financial Group. We believe that it is in the best interests of our shareholders for Mr. Seneff to serve as Chairman of the Board because of his significant experience in matters of relevance to our business. We believe that our board of directors' leadership structure is in the best interests of us and our shareholders. We also believe that this leadership structure creates a firm link between management and our board of directors and provides unified leadership for carrying out our strategic initiatives and business plans. Our board of directors has determined that the composition of our majority independent director board is an appropriate means to address any potential conflicts of interest that may arise from the chair's status as an interested person of the company.

All of the independent directors play an active role on our board of directors. The independent directors compose a majority of our board of directors and will be closely involved in all material deliberations related to us. The Board believes that, with these practices, each independent director has an equal involvement in the actions and oversight role of our board of directors and equal accountability to us and our shareholders. Our independent directors are expected to meet separately as part of certain regular meetings of the board of directors. Our independent directors may hold meetings at the request of any independent director.

Board Role in Risk Oversight

The Board plays an important role in the risk oversight of the company. Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. Risk management is a broad concept comprising many disparate elements (for example, investment risk, issuer and counterparty risk, compliance risk, operational risk, and business continuity risk). Our executive officers and the Manager and the Sub-Manager are responsible for the day-to-day management of the risks the company faces, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In this capacity, our board of directors (or a committee thereof) performs many tasks, including but not limited to, receiving regular periodic reports from our internal and external auditors and the Manager and the Sub-Manager (with respect to our business), approving acquisitions and dispositions and new borrowings as well as periodically reviewing and discussing with our management the risks the company faces. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed by our executive officers and the Manager and the Sub-Manager are adequate and functioning as designed.

Our audit committee is specifically responsible, in consultation with management, our independent auditors and our internal auditor, for the integrity of our financial reporting processes and controls and valuation process. In executing this responsibility, our audit committee discusses policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps management has taken to monitor, control and report on such exposures. As part of this process, our audit committee oversees the planning and conduct of an annual risk assessment that is designed to identify and analyze risks to implementing and executing our business strategy. The results of the risk assessment are then discussed with management and used to develop our annual internal audit plan.

Our board of directors believes that this role in risk oversight is appropriate. We believe that we have robust internal processes in place and a strong internal control environment to identify and manage risks. However, not all risks that may affect us can be identified or processes and controls developed to eliminate or mitigate their occurrence or effects, and some risks are beyond the control of us, the Manager, the Sub-Manager and our other service providers.

Board Meetings and Attendance

The Board met four times for regular quarterly meetings during 2025. Each of the directors attended all of the meetings of our board of directors held during 2025 with the exception of Mr. Levine who resigned on October 31, 2025 and did not attend any of the quarterly meetings and Mr. Schwartz who was appointed a Director on November 1, 2025 and attended one quarterly meeting. None of the directors attended the annual meeting held in 2025. We do not have a formal policy regarding director attendance at an annual meeting of Shareholders.

Committees of the Board

The Board may delegate many of its powers to one or more committees. We currently have one standing committee, the audit committee, which is comprised entirely of our three independent directors.

Audit Committee

Our audit committee consists of all of its independent directors, each of whom meets the independence standards established by the SEC for audit committees. Mark D. Linsz serves as chairman of the Audit Committee. The Board has determined that Mr. Linsz is an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Exchange Act. The Audit Committee operates pursuant to a written charter and meets periodically as necessary. A copy of the Audit Committee's charter is available on our website: *www.cnlstrategiccapital.com.* The Audit Committee is responsible for selecting, engaging and discharging our independent accountants, reviewing the plans, scope and results of the audit engagement with our independent accountants, approving professional services provided by our independent accountants (including compensation therefor), reviewing the independence of our independent accountants and reviewing the adequacy of our internal controls over financial reporting. The Audit Committee held 16 meetings during 2025. Mr. Linsz attended all meetings of the Audit Committee. Messrs. Posen and Woody attended 15 of the 16 meeting of the Audit Committee.

Other Board Committees

Currently, we do not have a nominating committee or a compensation committee. The Board is of the view that it is not necessary to have a nominating committee at this time because our board of directors is composed of only five members, a majority of whom are "independent" (as defined under our LLC Agreement). The Board does not have a compensation committee because we are externally managed and do not have any employees. We do not separately compensate our executive officers for their services as officers. However, the compensation payable to the Manager and the Sub-Manager pursuant to a management agreement (the "Management Agreement") and a sub-management agreement (the "Sub-Management Agreement"), respectively, have been separately approved by our board of directors.

Committee Charters and Other Corporate Governance Documents

The Board has adopted corporate governance policies and procedures that our board of directors believes are in the best interest of the company and our shareholders as well as compliant with the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC, more particularly:

- A majority of our board of directors and all of the members of the Audit Committee are independent.
- The Board has adopted a charter for the Audit Committee; and one member of the Audit Committee is an "audit committee financial expert" as defined in the SEC rules.
- The Audit Committee hires, determines compensation of, and decides the scope of services performed by our independent auditors.
- We have adopted a Code of Business Conduct that applies to all directors and officers of the company and its subsidiaries, as well as all directors, officers and employees of the Manager and the Sub-Manager. The Code of Business Conduct sets forth the basic principles to guide their day-to-day activities. Other than as discussed above, we do not have a policy regarding the ability of our employees or directors to hedge our equity securities, including with respect to the types of transactions identified in Item 407(i)(1) of Regulation S-K. A copy of the Code of Business Conduct is posted on our website at www.cnlstrategiccapital.com.
- We have adopted a Whistleblower Policy that applies to all directors, managers and officers of the company and its subsidiaries and our Manager and certain individuals from other entities affiliated with the Manager who provide substantial management, administrative or other services to or for our benefit, and establishes procedures for the confidential, anonymous submission by such persons regarding improper accounting, internal controls, and auditing matters as violations of laws and other important Company policies.

- The Sponsor has adopted an Insider Trading Policy governing the purchase or sale of securities based on material nonpublic information by a director or officer of the Company that is reasonably designed to promote compliance with insider trading laws, rules and regulations. A copy of such Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

Item 11. Executive Compensation

Board of Directors Compensation

Each independent director is entitled to receive a $25,000 annual fee for services as well as $2,000 per board of directors meeting attended, whether they participate by telephone or in person. Each director serving on the Audit Committee will receive $2,000 per Audit Committee meeting attended, whether they participate by telephone or in person. The chairman of our Audit Committee will receive an annual retainer of $10,000. Independent directors will also receive $2,000 per day for their participation in all meetings and other Company-related business outside of normally scheduled board of directors' meetings. In addition to the annual fee and fee for meeting attendance, as applicable, we will reimburse our independent directors for any reasonable out-of-pocket expenses incurred for its service as a director. No additional compensation will be paid for attending our annual meeting.

The table below sets forth the compensation received by each director from us for the fiscal year ended December 31, 2025:

Name	Fees Earned or Paid in Cash	Total Compensation
Interested Directors:		
James M. Seneff, Jr	$ —	$ —
Arthur E. Levine [(1)]	—	—
Andrew M Schwartz [(2)]	—	—
Independent Directors:		
Mark D. Linsz	$ 75,000	$ 75,000
Benjamin A. Posen	63,000	63,000
Robert J. Woody	63,000	63,000

FOOTNOTES:

(1) Resigned effective October 31, 2025.

(2) Appointed effective November 1, 2025.

Compensation Discussion and Analysis

We are managed by the Manager pursuant to the Management Agreement. All of our executive officers are employees of the Manager or one or more of its affiliates. The Manager also provides administrative services to us under Administrative Services Agreement. In connection with its services, the Manager has agreed to provide us with personnel to serve as our appointed officers. Our appointed executive officers (who, while associated with the Manager, serve on our behalf) consist of our chief executive officer, chief financial officer, chief operating officer and senior managing director.

We have not paid, and do not intend to pay, any cash compensation to our executive officers and we do not currently intend to adopt any policies with respect thereto. We do not have agreements with any of our executive officers or any employees of the Manager or its affiliates with respect to their compensation. Pursuant to the Management Agreement, we pay the base management fee to the Manager, not to provide compensation to our executive officers, but to compensate the Manager for the services it provides for the day-to-day management of us (50% of which is paid to the Sub-Manager under the Sub-Management Agreement). No specific portion of the management fee is designated for use by the Manager as compensation to its employees who are our executive officers, and we are not required to, and do not, separately reimburse the Manager for compensation paid by the Manager to our executive officers. Rather, the Manager will determine the levels of base salary and cash incentive compensation that may be earned by our executive officers for services performed for the Manager, based on the time required for the performance of the duties of the Manager under the Management Agreement and such other factors as the Manager may determine are appropriate. The Manager will also determine whether and to what extent our executive officers will be provided with pension,

deferred compensation and other employee benefits plans and programs for their services performed for the Manager. The Manager may choose to allocate any shares it acquires from us to one or more employees of the Manager or its affiliates from time to time and in its sole discretion. We do not play any role in the Manager's determination of how it compensates our executive officers as we are not entitled to review or approve compensation decisions made by the Manager under the terms of the Management Agreement or otherwise.

Accordingly, we do not have a compensation committee of our board of directors. The Audit Committee performs, to the extent that may be required, any duties typically delegated to a compensation committee of a board of directors. The Audit Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, has recommended to our board of directors that the Compensation Discussion and Analysis be included in this Annual Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table shows certain information as of March 19, 2026, with respect to the beneficial ownership of the Shares by (i) each director and nominee, (ii) each executive officer, and (iii) all of our directors and executive officers as a group As of March 19, 2026 there were approximately 36,906,557 total Shares outstanding consisting of 3,724,101 Class FA shares, 1,687,939 Class S shares, 9,257,524 Class A shares, 2,024,165 Class T shares, 3,067,485 Class D shares and 17,145,343 Class I shares issued and outstanding.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. There are no shares subject to options that are currently exercisable or exercisable within 60 days of the offering. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power.

Unless otherwise indicated, to our knowledge, all persons named in the table below have sole voting power and sole investment power with respect to the Shares indicated as beneficially owned. In addition, unless otherwise indicated, the address for each person named below is c/o CNL Strategic Capital, LLC, CNL Center at City Commons, Tower I, 450 South Orange Avenue, Suite 1400, Orlando, Florida, 32801.

Name and Address [1]	Number of Shares Beneficially Owned	Percentage of all Shares [2]
James M. Seneff, Jr	220,096 [3][4]	*
Andrew M Schwarz	—	*
Mark D. Linsz	2,705 [4][5]	*
Benjamin A. Posen	2,000 [4]	*
Robert J. Woody	5,475 [4][7]	*
Chirag J. Bhavsar	19,079 [4]	*
Tammy J. Tipton	6,153 [4][8]	*
Paul W. Drury	7,576 [9]	*
All executive officers and directors as a group (8 person)	263,084	0.71%

* Represents beneficial ownership of less than 1%

(1) Unless otherwise indicated, the address of each beneficial owner is c/o CNL Strategic Capital, LLC, 450 South Orange Avenue, Suite 1400, Orlando, FL 32801-3336.

(2) Based on a total of 36,932,398 shares outstanding as of March 24, 2026.

(3) Represents 60,096 Class FA shares held of record by the Manager, CNL Strategic Capital Management, LLC, an indirect subsidiary of CNL Financial Group, LLC, which is indirectly wholly owned by Mr. Seneff. Also represents 160,000 Class FA shares held of record by CNL Strategic Capital Investment, LLC, which is indirectly controlled by Mr. Seneff.

(4) Includes common shares purchased in our private offerings.

(5) Represents 2,000 Class FA common shares and 705 Class A common shares.
(7) Represents 4,000 Class FA common shares and 1,475 Class A common shares.
(8) Represents 2,616 Class FA common shares, 375 Class A common shares, and 3,162 Class I common shares.
(9) Represents Class I common shares.

Item 13. Certain Relationships and Related Transactions and Director Independence

Director Independence

A majority of our board of directors is comprised of "independent" directors as defined in our LLC Agreement. Based on its review of all relevant facts and circumstances, our board of directors has affirmatively determined that three of our five directors – Messrs. Linsz, Posen and Woody – qualify as independent directors under our LLC Agreement. A copy of our LLC Agreement is posted on our website at www.cnlstrategiccapital.com.

Policies Regarding Transactions with Certain Affiliates

Item 404 of the SEC's Regulation S-K requires disclosure by us of any transaction between us and any related persons the amount of which exceeds the lesser of $120,000 and 1% of the average of our total assets at year-end for the last two completed fiscal years, in which any related person had or will have a direct or indirect material interest. Related parties include any executive officers, directors, director nominees, beneficial owners of more than 5% of our voting securities, immediate family members of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons are employed and in which such person has 10% or greater beneficial ownership interest.

In order to reduce or eliminate certain potential conflicts of interest, our LLC Agreement contains restrictions and/or our board of directors has adopted written procedures, relating to (i) transactions between us and our Manager, our Sub-Manager or their respective affiliates and (ii) allocation of properties and loans among certain affiliated entities.

The Board, including a majority of our independent directors will evaluate at least annually whether the compensation that we contract to pay to the Manager and the Sub-Manager, and their respective affiliates is reasonable in relation to the nature and quality of services performed and whether such compensation is within the limits prescribed by our LLC Agreement. The Board, including a majority of our independent directors, supervises the performance of the Manager and the Sub-Manager and their respective affiliates and the compensation we pay to them to determine whether the provisions of our compensation arrangements are being carried out. On November 6, 2024, our board of directors, including a majority of our independent directors, approved the renewal of the Management Agreement, the Administrative Services Agreement, the Sub-Administration Agreement and the Sub-Management Agreement, respectively, for an additional one-year term through February 7, 2027, subject to earlier termination in accordance with its terms.

Conflicts of Interest

The Manager, the Sub-Manager and certain of their affiliates will have certain conflicts of interest in connection with the management of our business affairs including the following:

- Our executive officers and certain members of our board of directors serve as director and/or officers of various entities affiliated with the Manager and the Sub-Manager, as applicable.

- The Manager, the Sub-Manager, the Administrator, the Sub-Administrator and their respective affiliates provide services to us. The Administrator and the Sub-Administrator oversee the performance of other administrative and professional services provided to us by others, including by their respective affiliates.

- Regardless of the quality of our assets, the services provided to us or whether we pay distributions to our shareholders, the Manager and the Sub-Manager receive certain fees and expense reimbursements in connection

with its services to us as the Manager and the Sub-Manager, respectively. Additionally, we may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services.

- The agreements between us and the Manager, the Sub-Manager or their affiliates are not arm's length agreements. In addition, as a result of the fact that we have some common management, including on our board of directors, with the Manager and the Sub-Manager, our board of directors may encounter conflicts of interest in enforcing our rights against the Manager, the Sub-Manager and their respective affiliates in the event of a default by, or disagreement with, any of the Manager, the Sub-Manager and their respective affiliates or in invoking powers, rights or options pursuant to any agreement between any of them and us.

- The Board is responsible for determining the net asset value of our assets (with the assistance from the Manager, the Sub-Manager and an independent valuation firm engaged by our board of directors to assist with the valuation of our businesses) and, because the base management fee is payable monthly for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, a higher net asset value would result in a higher base management fee to the Manager and the Sub-Manager. We value our assets monthly at fair value as determined in good faith by our board of directors based on input from the Manager, the Sub-Manager and the independent valuation firm. The determination of the average value of our gross assets reflects changes in the fair market value of our businesses.

- The Manager does not currently manage other clients; however, the Manager is not prohibited from doing so and the Manager may determine it is appropriate for us and one or more other clients managed in the future by the Manager or any of its affiliates to participate in an opportunity together. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. The Manager will consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs.

- The Sub-Manager and its affiliates currently manage various other clients and accounts. The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to an exclusivity agreement between the Manager and the Sub-Manager and its obligations thereunder, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy. Certain of our officers and directors have made, and may from time to time in the future make, passive investments in private funds or other investment vehicles sponsored and/or managed by the Sub-Manager or one of its affiliates.

- Subject to our investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on our behalf).

- The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients. The Sub-Manager or its affiliates currently manage other clients

that have a similar business strategy as us. The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine that an opportunity is more appropriate for another client managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. In certain cases, the Sub-Manager, subject to approval by the Manager that the opportunity meets our investment objectives and final approval of such opportunity by our board of directors, may determine it is appropriate for us to participate in an acquisition opportunity alongside one or more other clients managed by the Sub-Manager or any of its affiliates. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. To the extent the Sub-Manager identifies such co-opportunities, the Sub-Manager has developed an allocation policy to ensure that we are treated fairly and equitably. The Sub-Manager and its affiliates will utilize this allocation policy to determine how to allocate opportunities that may be appropriate for us or other of the Sub-Manager's or its affiliates' clients. As part of this policy, the Sub-Manager will consider a variety of factors in making allocation decisions, including a client's stated investment objectives, scope, criteria, guidelines, business strategy and available capital for investment. As a result, the Sub-Manager and its affiliates may determine, in its discretion, that it is appropriate to allocate opportunities to other clients in whole or in part as co-opportunities. The Sub-Manager will also consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs and our investment policy. The Board has adopted its own allocation policy, which incorporates the Sub-Manager's allocation policy by reference. If we invest in a general partnership or joint venture with affiliates, management fees payable in connection with such an investment will be proportional to our respective interest in the investment or the value of services provided, as applicable. The independent directors of our board of directors will be responsible for oversight of the allocation process.

- Consistent with our allocation policy, in the event that a co-investment opportunity that the Manager has approved for potential participation does not close and the Sub-Manager and its affiliates accumulate broken deal costs in connection with the co-investment opportunity, the Sub-Manager and its affiliates will be required to allocate such broken deal costs among us and the other participating accounts. Broken deal costs will generally be allocated to us by the Sub-Manager *pro rata* based on our allocation in a proposed co-investment opportunity if our allocation in such co-investment opportunity has been determined; however, in the event that we expect to participate in a co-investment opportunity with LLCP VII, or LMM III Fund which accumulates broken deal costs and our allocation in such co-investment opportunity has not been determined, we will be allocated 5% of the broken deal costs with respect to a co-investment with LLCP VII, or 10% of the broken deal costs with respect to a co-investment with the LMM III Fund, subject to annual review by the Sub-Manager. We may similarly act as a dedicated co-investor for other private acquisition funds advised by affiliates of the Sub-Manager that are formed in the future, with our allocation percentage being determined at or prior to the time we begin pursuing co-investment opportunities with such vehicles and subject to annual review by the Sub-Manager. Additionally, on a quarterly basis, the Sub-Manager will identify third party broken deal costs for opportunities that were not presented to the Manager for prior approval but which are determined in the Sub-Manager's reasonable judgment and in a manner consistent with the Sub-Manager's fiduciary obligations to have qualified as a potential investment opportunity for us on a direct or co-investment basis (such opportunity, a "lookback broken deal"). Subject to approval by the Manager, we will reimburse the Sub-Manager for our allocable portion of third party broken deal expenses incurred in connection with a lookback broken deal. In the case of a lookback broken deal identified as an opportunity on a co-investment basis with LLCP VII or LMM III Fund, our allocable portion of such third party broken deal expenses will be 5% or 10%, respectively. Unless our board of directors approves otherwise, in no event will our portion of the aggregate lookback broken deal expenses exceed $75,000 on a calendar year basis.

- Our businesses may pay transaction fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees (except that no such transaction fees were charged on our acquisition of the initial businesses). These fees may be paid before we realize any income or gain. The Manager

and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

Certain Relationships with Affiliates

We commenced the Initial Public Offering on March 7, 2018 and terminated the Initial Public Offering on November 1, 2021, after having raised aggregate gross offering proceeds of approximately $264.7 million from the sale of shares of our shares. We commenced the Follow-On Public Offering on November 1, 2021 and terminated the Follow-On Public Offering on November 1, 2024, after having raised aggregate gross offering proceeds of approximately $704.8 million from the sale of our shares in the Follow-On Public Offering. On November 1, 2024, we commenced the Second Follow-On Offering of up to $1.1 billion of shares of our shares.

The following discussion sets forth the agreements that we have entered into with affiliates in connection with the Public Offerings. The statements relating to each agreement set forth in this section and elsewhere in this Annual Report are subject to and are qualified in their entirety by reference to all of the provisions of such agreements, which are filed as exhibits with the SEC.

Manager and/or Sub-Manager

We pay each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement (the "Expense Support Agreement") described below. We incurred base management fees of approximately $24.0 million and $18.1 million during the years ended December 31, 2025 and December 31, 2024, respectively.

We also pay each of our Manager and our Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. We recorded total return incentive fees of approximately $30.3 million and $24.1 million for the years ended December 31, 2025 and December 31, 2024, respectively. The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a quarterly basis, to the extent that it is earned, and performs a final reconciliation and makes required payments at completion of each calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support Agreement described below. For purposes of this calculation, "Total Return to Shareholders" for any calendar quarter is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of such calendar quarter end. The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" means the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares (Class A shares, Class T shares, Class D shares and Class I shares) or Founder shares (Class FA shares and Class S shares), as applicable.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annual Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").

- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the Annual Preferred Return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-Founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.

- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the Annual Preferred Return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular share class exceeds 7.777% in any calendar year.

- For any quarter in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.

- For purposes of calculating the Total Return to Shareholders, the change in our net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of our shares since inception, adjusted for any special distributions resulting from the sale of our assets, provided such adjustment is approved by our board of directors. If, as of each calendar year end, our net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in our net asset value for such share class in excess of the High Water Mark, and (B) if our net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in our per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in our per share net asset value will be included the calculation of Total Return to Shareholders for such share class. For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020 and 2019, the High Water Marks were as follows:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2019	$ 26.65	$ 26.44	$ 26.54	$ 26.23	$ 26.55	N/A
December 31, 2020	27.64	26.91	27.01	26.61	27.15	$ 27.64
December 31, 2021	29.97	28.67	28.67	28.24	29.06	30.08
December 31, 2022	32.62	30.66	30.66	30.35	31.18	32.84
December 31, 2023	34.90	32.46	32.46	32.11	32.88	35.39
December 31, 2024	36.67	33.64	33.64	33.31	34.06	37.25
December 31, 2025	39.55	35.68	35.72	35.42	36.12	40.09

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable quarter. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar quarter end.

We reimburse our Manager and our Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to us, including fees, costs, expenses, liabilities and obligations relating to our activities, acquisitions, dispositions, financings and business, subject to the terms of our LLC Agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support Agreement. We do not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for our behalf.

We entered into an Expense Support Agreement with the Manager and the Sub-Manager, which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support Agreement (the "Expense Support"). Expense Support is paid by the Manager and Sub-Manager annually in arrears.

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Beginning on February 7, 2018 and continuing until the Expense Support Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support Agreement). The term of the Expense Support Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support Agreement. Our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support Agreement.

Since inception, we have received cumulative Expense Support from the Manager and Sub-Manager of approximately $5.1 million. During the year ended December 31, 2025, we recorded Expense Support due from the Manager and Sub-Manager of $1.0 million. During the year ended December 31, 2024, we recorded reimbursement of Expense Support of approximately less than $0.1 million. Expense support (reimbursement) is paid by (to) the Manager and Sub-Manager annually in arrears.

Under the Public Offerings, we reimburse our Manager and our Sub-Manager, along with their respective affiliates, for the organization and offering costs (other than selling commissions and placement agent / dealer manager fees) they have incurred on our behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. We incurred an obligation to reimburse the Manager and Sub-Manager for approximately $1.9 million and $1.3 million in organization and offering costs based on actual amounts raised through the Public Offerings during the years ended December 31, 2025 and 2024, respectively. These costs will be recognized by us in future periods as we receive future offering proceeds from its Public Offering to the extent such costs are within the 1.5% limitation.

Managing Dealer

Under the Public Offerings, we pay CNL Securities Corp., an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers. Under the Public Offerings, we pay the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee that is allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase. The Manager also provides us with certain administrative services under the Administrative Services Agreement. The Sub-Manager also provides certain other administrative services to us under the Sub-Administration Agreement with the Manager. We may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services.

Payments to Related Parties

Related party fees and expenses incurred for the years ended December 31, 2025 and 2024 are summarized below (in thousands):

Related Party	Source Agreement & Description	Years Ended December 31, 2025	2024
Managing Dealer	Managing Dealer Agreement:		
	Commissions [1]	$ 624	$ 2,282
	Dealer manager fees [1]	358	322
	Distribution and shareholder servicing fees [2]	1,336	1,313
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:		
	Offering expense reimbursement[3][4]	1,893	1,265
	Base management fees[3]	23,993	18,083
	Total return incentive fees[3]	30,321	24,119
Manager and Sub-Manager	Agreement:		
	Expense Support	(950)	(20)
	Agreement:		
	Reimbursement of Expense Support	—	—
Manager	Administrative Services Agreement:		
	Reimbursement of third-party operating expenses[3][5]	130	511
	Shareholder servicing fees[2]	660	—
Sub-Manager	Sub-Management Agreement:		
	Reimbursement of third-party pursuit costs[3][6]	1,264	1,301

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in our consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in our condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on our consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in our consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	2024
Due from related parties		
Expense Support	$ 950	$ 20
Total due from related parties	$ 950	$ 20
Due to related parties:		
Total return incentive fees	$ (30,321)	$ (24,119)
Base management fees	(2,222)	(1,758)
Offering expenses	(65)	(138)
Distribution and shareholder servicing fees	(115)	(115)
Reimbursement of third-party operating expenses and pursuit costs	(17)	(276)
Total due to related party	$ (32,740)	$ (26,406)
Total due to related parties, net	$ (31,790)	$ (26,386)

Indemnification

The Management Agreement and the Sub-Management Agreement provide certain indemnification to the Manager and Sub-Manager, and their respective officers managers, partners, members, agents, employees, controlling persons, shareholders and any other person or entity affiliated with the Manager or Sub-Manager. The managing dealer agreement provides certain indemnification to the extent permitted by applicable federal and state law (including, but not limited to federal and state securities laws) to the Managing Dealer and each distribution participant, and their respective officers, directors, partners, employees, associated persons, agents and control persons. In addition, our LLC Agreement provides certain indemnifications to its officers, directors, agents, and certain other persons. As of December 31, 2025, management believed that the risk of incurring of any losses for such indemnification was remote.

Item 14. Principal Accountant Fees and Services

The Board and Audit Committee have re-appointed Ernst & Young LLP, 200 S. Orange Ave., Suite 2800, Orlando, FL 32801, as our independent registered public accounting firm and as auditors of our consolidated financial statements for 2026. Ernst & Young LLP has served as the Company's independent registered public accounting firm since 2017.

At the Annual Meeting, the shareholders are being asked to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2026. We are not required to have the shareholders ratify the selection of Ernst & Young LLP as our independent registered public accounting firm; however, we are doing so because it believes it is a matter of best corporate practices. In the event of a negative vote on such ratification, the Audit Committee will reconsider the appointment. Even if this appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year, if the Audit Committee determines that such a change would be in the best interests of us and our shareholders. Representatives of Ernst & Young LLP are not expected to be present at the Annual Meeting, but will have the opportunity to make a statement if they desire to do so, and will be available to respond to questions.

Fees to Auditors

The following table shows the audit fees and non-audit related fees incurred or paid to Ernst & Young LLP for professional services performed for our fiscal years ended December 31, 2025 and 2024.

	Years Ended December 31,	
	2025	2024
Audit fees [1]	$ 795,038	$ 592,060
Audit-related fees [2]	—	40,000
Tax fees [3]	—	62,000
All other fees [4]	—	—
Total Fees	$ 795,038	$ 694,060

(1) "Audit Fees" consists of fees billed for professional services rendered for the audit of our year end financial statements and quarterly reviews, and services that are normally provided by Ernst & Young LLP in connection with regulatory filings.

(2) "Audit-Related Fees" are those fees billed to us relating to audit services provided by Ernst & Young LLP, including fees for services performed by Ernst & Young LLP that are closely related to the audit and in many cases could only be provided by our independent auditors, which are not reported under Audit Fees. Such services include consents related to our registration statement on Form S-1 and assistance with and review of other documents filed with the SEC including documents related to our registration statement on Form S-1.

(3) "Tax Fees" are those fees billed to us in connection with tax services performed by Ernst & Young LLP, including, routine on-call tax advisory services, tax compliance services and preparation of our income tax returns.

(4) "All Other Fees" are those fees billed to us in connection with permitted non-audit services performed by Ernst & Young LLP other than the services disclosed above.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services Performed by the Independent Registered Public Accounting Firm

We maintain an auditor independence policy that, among other things, mandates that the Audit Committee review, negotiate and approve in advance the scope of work, any related engagement letter and the fees to be charged by the independent registered public accounting firm for audit services and permissible non-audit services for us, and for permissible non-audit services for our investment advisers and any affiliates thereof that provide services to us, if such non-audit services have a direct impact on the operations or financial reporting of the company. All of the audit and non-audit services described above for which fees were incurred by the Company for the fiscal year ended December 31, 2025, were pre-approved by our audit committee in accordance with its pre-approval policy.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements

1. The Company is required to file the following separate audited financial statements of its unconsolidated subsidiaries which are filed as part of this report:

   i. Sill Holdings, LLC
   Independent Auditor's Report
   Consolidated Balance Sheets as of December 31, 2025 and 2024
   Consolidated Statements of Operations for the Year Ended December 31, 2025 and 2024
   Consolidated Statements of Changes in Stockholders' Equity for the Year Ended December 31, 2025 and 2024
   Consolidated Statements of Cash Flows for the Year Ended December 31, 2025 and 2024
   Notes to Consolidated Financial Statements

   ii. Clarion Safety Holdings, LLC and Subsidiaries
   Independent Auditor's Report
   Consolidated Balance Sheets as of December 31, 2025 and 2024
   Consolidated Statements of Operations for the Year Ended December 31, 2025 and 2024
   Consolidated Statements of Changes in Members' Equity for the Year Ended December 31, 2025 and 2024
   Consolidated Statements of Cash Flows for the Year Ended December 31, 2025 and 2024
   Notes to Consolidated Financial Statements

(b) Exhibits

The following exhibits are filed or incorporated as part of this report.

Exhibit No.	Description
3.1	Certificate of Formation of CNL Strategic Capital, LLC dated August 8, 2016 (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
3.2	Eighth Amended and Restated Limited Liability Company Operating Agreement of CNL Strategic Capital, LLC (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 10-K filed with the SEC on March 31, 2025).
4.1	Distribution Reinvestment Plan (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
4.2	Form of Subscription Agreement (incorporated by reference to Appendix B to the Prospectus filed pursuant to Rule 424(b)(3) with the SEC on November 1, 2024).
4.3	Fifth Amended and Restated Share Repurchase Agreement (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on October 24, 2024).
4.4	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2021).
10.1	Sixth Amended and Restated Management Agreement dated as of June 23, 2025 by and between CNL Strategic Capital, LLC and CNL Strategic Capital Management, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 24, 2025)

Exhibit No.	Description
10.2	Second Amended and Restated Sub-Management Agreement dated as of February 28, 2018 by and among CNL Strategic Capital, LLC, CNL Strategic Capital Management, LLC and Levine Leichtman Strategic Capital, LLC (incorporated by reference to Exhibit 10.2 to the Pre-Effective Amendment No. 1 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on March 1, 2018).
10.3	Escrow Agreement dated February 14, 2018 by and among CNL Strategic Capital, LLC and CNL Securities Corp. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 15, 2018).
10.4	First Amendment to Escrow Agreement by and among CNL Strategic Capital, LLC and CNL Securities Corp. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on April 18, 2019).
10.5	Second Amendment to Escrow Agreement by and among CNL Strategic Capital, LLC and CNL Securities Corp. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on July 16, 2019).
10.6	Third Amendment to Escrow Agreement by and among CNL Strategic Capital, LLC and CNL Securities Corp. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 5, 2020).
10.7	Escrow Letter Agreement relating to the Escrow Agreement dated February 14, 2018, as supplemented and amended, by and among CNL Strategic Capital, LLC and CNL Securities Corp. (incorporated by reference to Exhibit 10.7 to the Pre-Effective Amendment No. 3 to the Registration Statement on Form s-1 (File No. 333-253295) filed with the SEC on October 22, 2021).
10.8	Amended and Restated Administrative Services Agreement dated as of February 7, 2018 by and between CNL Strategic Capital, LLC and CNL Strategic Capital Management, LLC (incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.9	Amended and Restated Sub-Administration Agreement dated as of February 7, 2018 by and among CNL Strategic Capital, LLC, CNL Strategic Capital Management, LLC and Levine Leichtman Strategic Capital, LLC (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.10	Amended and Restated Expense Support and Conditional Reimbursement Agreement dated as of February 7, 2018 by and among CNL Strategic Capital, LLC, CNL Strategic Capital Management, LLC and Levine Leichtman Strategic Capital, LLC (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.11	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.7 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.12	Note Purchase Agreement dated as of February 7, 2018 by and among Lawn Doctor, Inc., LD Strategic Capital DebtCo, LLC and Aspire Capital Group, LLC (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.13	Note Purchase Agreement dated as of February 7, 2018 by and among Polyform Products Company, Inc. and Polyform Strategic Capital DebtCo, LLC (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.14	Service Agreement dated as of February 7, 2018 by and between CNL Capital Markets Corp. and CNL Strategic Capital Management, LLC (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 (File No. 333-222986) filed with the SEC on February 12, 2018).
10.15	Stock Contribution and Purchase Agreement dated June 26, 2019 by and between Michael Auriemma and Roundtable Acquisition, LLC. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on 10-Q filed with the SEC on August 8, 2019).
10.16	Membership Interest Purchase Agreement dated April 1, 2021 by and among Huron Title Buyer, LLC and certain sellers of the ATA Holding Company, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 5, 2021).

Exhibit No.	Description
10.17	Stock Purchase Agreement dated October 7, 2021, by and among Douglas Machines Buyer, Inc., Douglas Machines Corp., and Douglas Acquisition Company, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 8, 2021).
10.18	Note Purchase Agreement dated October 7, 2021, by and among Douglas Machines Buyer, Inc., Douglas Machines Corp., Douglas Machines Holdings, LLC, and DM Strategic Capital DebtCo, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on October 8, 2021).
10.19	Unit Purchase Agreement dated December 9, 2021, by and among Clarion Safety Buyer, LLC, the Members of Clarion Safety Systems, LLC, and Clarion Investment Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 9, 2021).
10.24	Escrow Amendment dated August 24, 2022 by and between the Company, CNL Securities Corp., and UMB Bank, N.A. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on August 29, 2022).
10.25	Loan and Security Agreement dated February 15, 2024 by and between CNL Strategic Capital B, Inc. and Valley National Bank (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2024)
10.26	The Pledge and Assignment of Bank and Deposit Accounts Agreement dated February 15, 2024 by and between the Company and Valley National Bank (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2024)
10.27	Guaranty Agreement dated February 15, 2024 by and between the Company and Valley National Bank (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on February 20, 2024)
10.28	First Amendment to Loan and Security Agreement dated February 15, 2025 by and between CNL Strategic Capital B, Inc. and Valley National Bank (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 21, 2025)
19.1	Insider Trading Policy. (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-k filed with the SEC on March 31, 2025.)
21.1*	List of Subsidiaries.
23.1*	Consent of Independent Registered Public Accounting Firm - Ernst & Young, LLP.
23.2*	Consent of Independent Registered Public Accounting Firm - Plante & Moran, PLLC
23.3*	Consent of Independent Registered Public Accounting Firm - PKF O'Connor Davies, LLP
24.1*	Power of Attorney (included on the signature page).
31.1*	Certification of Chief Executive Officer of CNL Strategic Capital, LLC, Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer of CNL Strategic Capital, LLC, Pursuant to Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer of CNL Strategic Capital, LLC, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from CNL Strategic Capital, LLC Annual Report on Form 10-K for the year ended December 31, 2025, formatted in iXBRL (Inline eXtensible Business Reporting Language); (i) Consolidated Statements of Assets and Liabilities, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Net Assets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Schedules of Investments, and (vi) Notes to the Consolidated Financial Statements.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them

for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Sill Holdings, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2025

Sill Holdings, LLC and Subsidiaries
Consolidated Financial Statements

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To the Board of Directors
Sill Holdings, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of Sill Holdings, LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024 and the related consolidated statements of operations, members' equity , and cash flows for the years then ended and the related notes through the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

/s/Plante & Moran, PLLC
March 10, 2026

Sill Holdings, LLC and Subsidiaries
Consolidated Balance Sheet
As of December 31, 2025 and December 31, 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 5,244,632	$ 5,001,820
Accounts receivable, net	7,958,862	6,387,465
Prepaid expenses and other current assets	494,769	571,063
Canadian income taxes receivable	113,245	78,694
Total current assets	13,811,508	12,039,042
Property and Equipment, Net	562,719	540,077
Goodwill	89,710,785	87,076,659
Intangible Assets, Net	17,383,642	18,369,364
Right-of-use Operating Assets	1,583,604	1,882,843
Deferred Tax Asset, Net	—	68,619
Total assets	$ 123,052,258	$ 119,976,604
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 548,899	$ 1,300,243
Accrued compensation	2,879,064	1,357,537
Other accrued expenses and current liabilities	163,400	358,049
Seller payable	206,425	2,210,966
Holdback payable	650,000	—
Current portion of earnout payable	2,000,000	—
Current portion of operating lease liabilities	498,438	358,606
Total current liabilities	6,946,226	5,585,401
Senior Secured Note	16,000,000	16,000,000
Long-term Operating Lease Liabilities, Net of current portion	1,109,991	1,527,584
Deferred Tax Liability	226,525	—
Earnout Payable	850,000	1,380,000
Total liabilities	25,132,742	24,492,985
Members' Equity	97,919,516	95,483,619
Total liabilities and members' equity	$ 123,052,258	$ 119,976,604

See notes to consolidated financial statements.

Sill Holdings, LLC and Subsidiaries
Consolidated Statement of Operations
For the year ended December 31, 2025 and 2024

	2025	2024
Net revenue	$ 41,270,289	$ 22,311,300
Operating Expenses		
Selling, general, and administrative expenses	28,853,475	16,199,751
Amortization and depreciation	3,558,303	2,735,996
Unit option expense	171,046	225,344
Total operating expenses	32,582,824	19,161,091
Operating income	8,687,465	3,150,209
Nonoperating Income and (Expense)		
Transaction expenses	(1,104,974)	(1,800,507)
Interest expense	(2,273,770)	(2,296,521)
State and local taxes	(93,908)	(39,568)
Fair value adjustment to contingent consideration	(1,330,746)	500,000
Other income	16,959	766
Total nonoperating expense	(4,786,439)	(3,635,830)
Income (Loss) Before Income Taxes	3,901,026	(485,621)
Provision for Income Taxes	(664,462)	(911,053)
Consolidated Net (Income) Loss	3,236,564	(1,396,674)
Other Comprehensive Income (Loss)		
Gain (loss) on foreign currency translation adjustments	128,287	(167,282)
Comprehensive Net Income (Loss)	$ 3,364,851	$ (1,563,956)

See notes to consolidated financial statements.

Sill Holdings, LLC and Subsidiaries
Consolidated Statement of Members' Equity
For the year ended December 31, 2025 and 2024

	Members' Capital	Accumulated (Deficit)/ Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, December 31, 2023	$ 59,100,000	$ (1,010,686)	$ 32,917	$ 58,122,231
Issuance of 24,208 Class A Units and 5,397 Class B Units	39,000,000	—	—	39,000,000
Distributions	(300,000)	—	—	(300,000)
Consolidated net loss	—	(1,396,674)	—	(1,396,674)
Unit option compensation expense	225,344	—	—	225,344
Foreign currency translation adjustments	—	—	(167,282)	(167,282)
Balance, December 31, 2024	$ 98,025,344	$ (2,407,360)	$ (134,365)	$ 95,483,619
Issuance of 3,071 Class A Units and 54 Class B Units	5,800,000	—	—	5,800,000
Distributions	(6,900,000)	—	—	(6,900,000)
Consolidated net income	—	3,236,564	—	3,236,564
Unit option compensation expense	171,046	—	—	171,046
Foreign currency translation adjustments	—	—	128,287	128,287
Balance, December 31,2025	$ 97,096,390	$ 829,204	$ (6,078)	$ 97,919,516

See notes to consolidated financial statements.

Sill Holdings, LLC and Subsidiaries
Consolidated Statement of Cash Flows
For the year ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Consolidated net income (loss)	$ 3,236,564	$ (1,396,674)
Adjustments to reconcile net loss to net used in operating activities:		
Depreciation expense	172,581	154,160
Amortization of intangible assets	3,385,722	2,581,747
Bad debt expense	244,154	157,768
Non-cash lease expense	21,478	2,121
Deferred income tax benefit	295,144	547,928
Unit option expense	171,046	225,344
Fair value adjustment of contingent consideration	1,330,746	(500,000)
Changes in operating assets and liabilities that (used) provided cash:		
Accounts receivable	(1,555,511)	(2,034,955)
Prepaid expenses and other assets	113,610	164,742
Accounts payable	(751,344)	(104,078)
Accrued expenses and other current liabilities	1,227,702	(127,553)
Canadian income taxes payable	(34,551)	(163,340)
Net cash provided in (used in) operating activities	7,857,341	(492,790)
Cash Flows from Investing Activities		
Purchases of property and equipment	(195,223)	(197,335)
Cash paid for acquisitions, net of cash acquired	(4,222,266)	(26,950,018)
Net cash used in investing activities	(4,417,489)	(27,147,353)
Cash Flows from Financing Activities		
Equity proceeds for business acquisitions, Class A and Class B Units	5,700,000	32,000,000
Distributions paid	(6,900,000)	(300,000)
Payments on payables to seller	(2,125,327)	(706,034)
Net cash provided by (used in) financing activities	(3,325,327)	30,993,966
Effect on exchange rates on foreign subsidiary assets and liabilities	128,287	(167,282)
Net increase in cash	242,812	3,186,541
Cash and cash equivalents, beginning of period	5,001,820	1,815,279
Cash and cash equivalents, end of period	$ 5,244,632	$ 5,001,820
Supplemental Disclosures of Cash Flow Information		
Interest paid	$ 2,273,770	$ 2,296,521
Significant Noncash transactions		
Holdback payable	$ 650,000	$ —
Issuance of rollover Units in connection with business acquisitions	$ 100,000	$ 7,000,000
Fair value of earnout issued with business acquisitions	$ —	$ 1,380,000

See notes to consolidated financial statements.

Note 1 – Nature of Business

Sill Holdings, LLC ("Holdings") is a Delaware limited liability company formed on September 28, 2023 and began operations on October 20, 2023 in connection with the acquisition of ANS Intermediate Holdco, LLC ("Intermediate"), an Ohio limited liability company formed on August 6, 2018, and Alex N. Sill Insurance Adjustment Company (Canada), Ltd. ("ANS Canada"). The purchase of Intermediate occurred through Sill Buyer, LLC ("US Buyer"), a Delaware limited liability company formed on September 28, 2023 and a wholly owned subsidiary of Holdings. The purchase of ANS Canada occurred through Sill Canadian Holdings, LLC ("Canadian Buyer"), a wholly owned subsidiary of Holdings. Subsequent to the transaction closing, Canadian Buyer was immediately amalgamated into ANS Canada. Intermediate wholly owns Alex N. Sill Company, LLC ("ANS"), National Forensic Solutions, LLC ("NFS"), and Canadian Claim Quantification Services, Inc. ("CCQS"). ANS and NFS are Ohio limited liability company's formed on April 15, 1932 and October 8, 2020, respectively. CCQS and ANS Canada are Ontario Business Corporations formed on November 30, 2021 and December 24, 1987, respectively. As further described in Note 3, Intermediate purchased all of the issued and outstanding stock of Seltser & Goldstein, LLC ("SGPA") and Young Adjustment Company, LLC ("Young") during 2024 and ANS purchased substantially all of the assets of Precision Public Adjusting, LLC ("PPA") during 2025. The aforementioned entities are collectively referred to as "the Company."

The Company is among the leading public adjusting and specialty insurance consulting firms representing business and property owners in connection with their property insurance claims. The Company focuses on providing expert claim preparation, management and resolution services across North America. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), the Company delivers expert representation and support for claims stemming from fire, catastrophic, and other related events.

The Company is headquartered in Cleveland, Ohio.

Note 2 – Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

The consolidated financial statements include the accounts of Sill Holdings, LLC and all of its wholly owned subsidiaries, as noted above. All intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), and all related amendments (Accounting Standards Codification (ASC) 606).

Under Topic 606, revenue is recognized when or as the customer obtains control of promised goods or services in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. To achieve this principle, the Company analyzes its contracts under the following five steps:

1. Identify the contract with the customer.
2. Identify the performance obligation(s) in the contract.

3. Determine the transaction price.
4. Allocate the transaction price to performance obligation(s) in the contract.
5. Recognize revenue when or as a performance obligation is satisfied.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are established, the contract has commercial substance, and collectability of consideration is probable.

Note 2 – Significant Accounting Policies (continued)

Revenue Recognition (continued)

The Company's performance obligation within a contract, generally, is to assist in the preparation, presentation, and adjustment of the claim(s) of loss for each of the insured's coverage types. The typical lifecycle for the preparation, presentation, and adjustment can take up to 22 months and in most cases, includes three coverage types: building, contents, and business interruption.

This performance obligation within the contract is considered satisfied in full when the Company receives explicit confirmation from the insurer of an agreed settlement, for all types of coverage in which the Company has been engaged to consult on. The transaction price is measured as the amount of consideration the Company expects to be entitled to in exchange for services provided, which in most cases is equal to a percentage of the negotiated claim proceeds for each coverage type. The Company cannot reasonably estimate the variable consideration until an agreement has been reached with the insurance company.

An enforceable right to bill for service does not exist until an agreed upon settlement is received. The Company recognizes revenue over time based on the right to invoice as the agreed settlement for each coverage type is confirmed. Payment is due generally 30 days from time of invoice.

Appropriate provisions are made for uncollectible accounts based on historical loss experience, economic conditions, and credit risk, considering both expected future losses as well as current incurred losses. The adequacy of the allowances are assessed quarterly.

Incremental costs to obtain contracts are expensed as incurred. Selling, general and administrative expenses are charged to expense as incurred. Substantially all of the Company's sales arrangements are short-term in nature and therefore do not contain a significant financing component.

For the years ended December 31, 2025 and December 31, 2024, the Company's revenue attributable to Canada operations (CCQS and ANS Canada) represented approximately 9% and 15% of net revenue, respectively.

Cash and Cash Equivalents

Cash equivalents include demand deposits and highly liquid investments with original maturities of three months or less at the time of acquisition.

Adoption of New Accounting Pronouncement

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Under the practical expedient, the Company assumes that current conditions as of the balance sheet date will not change for the remaining life of the asset.

The Company adopted the new guidance on January 1, 2025 on a prospective basis. The adoptions of this guidance did not have a significant impact on the financial statements.

Note 2 – Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable represent amounts billed to customer and not yet collected or amounts that were earned and are recorded when the right to consideration becomes unconditional. Accounts receivable are recorded at the invoiced amount, which approximates net realizable value, and do not bear interest. Net accounts receivable total $7,958,862, $6,387,465, and $2,760,059 as of December 31, 2025, December 31, 2024, and December 31, 2023, respectively.

The allowance for doubtful accounts is our best estimate of the amount of expected credit losses in our existing accounts receivable. We determine the allowance based on our historical collection experience and by performing an analysis of our accounts receivable in light of the current economic environment. This estimate of expected losses reflects those losses expected to occur over the contractual life of the receivable. The Company review's the allowance for doubtful accounts on a regular basis and, when necessary, provides an allowance for the full amount of specific accounts deemed to be uncollectible. Account balances are charged off against the allowance in the period in which we determine that it is probable the receivable will not be received. A summary of the changes in the allowance for doubtful account for the year ended December 31, 2025 and December 31, 2024 is as follows:

Balance, December 31, 2023	$	7,868
Provision for credit losses		157,768
Recoveries of amounts previously written off		—
Write-offs charged against the allowance		(25,462)
Balance, December 31, 2024	$	140,174

Provision for credit losses	$	244,154
Recoveries of amounts previously written off		—
Write-offs charged against the allowance		(168,118)
Balance, December 31, 2025	$	216,210

Property and Equipment

Property and equipment acquired as part of the business acquisitions described in Note 3 are recorded at their estimated fair values as of the acquisition date. All other property and equipment are recorded at cost. Depreciation is computed straight line over the estimated useful lives of the respective assets. Leasehold improvements are depreciated over the lesser of the lease term or estimated useful life of the improvements. Maintenance and repairs are charged to operations when incurred, while betterments and renewals are capitalized. Gains or losses are recognized upon the sale or disposal of the assets.

Leases

The Company records leases under ASC Topic 842, Leases ("ASC Topic 842"). Under ASC Topic 842, a lease is a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Company's contracts determined to be, or contain, a lease include explicitly or implicitly identified assets where the Company has the right to substantially all of the economic benefits of the assets and has the ability to direct how and for what purpose the assets are used during the lease term. Leases are classified as either operating or financing. For operating leases, the Company has recognized a lease liability equal to the present value of the remaining lease payments, and a right of use asset equal to the lease liability, subject to certain adjustments. The Company used its incremental borrowing rate to determine the present value of the lease payments. The Company's incremental borrowing rate is the rate of interest that it would have to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Refer to Note 12 for more details regarding the Company's leasing arrangements.

Note 2 – Significant Accounting Policies (continued)

Goodwill

The recorded amount of goodwill from the acquisitions described Note 3 is based on management's best estimate of the fair values of assets acquired and liabilities assumed at the Date of Acquisition. Goodwill is assessed for impairment at each reporting date. In the event that the fair value is less than the carrying value, the Company recognizes an impairment charge to goodwill through the statement of operations. During both the years ended December 31, 2025 and December 31, 2024 there were no impairment charges recognized.

Intangible Assets

Intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. During both the years ended December 31, 2025 and December 31, 2024 there were no impairment events identified; accordingly, no impairment charges to earnings were recognized.

Line of Credit

The Company entered into a line of credit with a financial institution on April 5, 2024 with an initial maturity date of April 5, 2025, which can be used for working capital and general purposes up to $5,000,000. The unpaid principal balance of cash advances under the revolving line of credit bear interest at the greater of (a) 2.00% or (b) the Secured Overnight Financing Rate plus 2.00%. During 2025, the Company amended the line of credit to extend the maturity date to April 5, 2026. There are no required periodic principal payments until maturity, at which time all amounts outstanding come due.

Income Taxes

Sill Holdings, LLC is a C Corporation for Federal, State and local income tax reporting purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company concluded that there are no uncertain tax positions that would require recognition in the financial statements. Interest on any income tax liability is reported as interest expense and penalties on any income tax liability are reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of tax laws, regulations and interpretations thereof, as well as other factors.

Foreign Currency Translation

The Company translates the financial statements of its foreign subsidiaries, CCQS and ANS Canada, into United States dollars at each reporting date. The foreign subsidiary balance sheet amounts are translated at the exchange rate in effect at the end of the year with the amounts reported on the statement of operations being translated at a weighted-average exchange rate in effect during the reporting period. The aggregate effect of translating the financial statements is included as a component of comprehensive income.

Note 2 – Significant Accounting Policies (continued)

Foreign Currency Transactions

The expression of assets and liabilities in a foreign currency amount gives rise to exchange gains and losses when such obligations are paid in United States dollars. Foreign currency exchange rate adjustments (i.e., differences between amounts recorded and actual amounts owed or paid) are reported in the consolidated statement of operations as the foreign currency fluctuations occur. Foreign currency exchange rate adjustments are reported in the consolidated statement of cash flows using the exchange rates in effect at the time of the cash flows.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of foreign currency translation adjustments from the foreign subsidiaries.

Risks, Uncertainties, and Major Clients

The Company generally maintains cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts. There were no customer concentrations during both the year ended December 31, 2025 and December 31, 2024.

Note 3 – Business Combinations

2024 Business Combinations

On June 28, 2024, Intermediate acquired all of the outstanding and issued stock of Seltser & Goldstein, LLC. SGPA provides commercial and residential public adjusting services throughout the New England region. On December 20, 2024, Intermediate acquired all of the outstanding and issued stock of Young Adjustment Company, LLC. Young provides commercial and residential public adjusting services throughout the Mid-Atlantic region of the United States. These consolidated financial statements include the results of SGPA and Young operations from the date of acquisition through December 31, 2024. The following table summarizes the fair value of the consideration transferred for the SGPA and Young acquisitions:

	SGPA	Young
Cash	$ 22,607,304	$ 7,355,342
Common units rollover - 4,743 (SGPA) and 654 (Young) Class B Units of Sill Holdings, LLC	6,000,000	1,000,000
Earnout payable	350,000	1,030,000
Contingent consideration	2,600,000	817,000
Fair value of total consideration transferred	$ 31,557,304	$ 10,202,342

The fair value of the 4,743 and 654 Class B units issued as part of the consideration transferred was agreed to between the parties on the acquisition dates and was determined at the time of each acquisition using the current value method.

Note 3 – Business Combinations (continued)

2024 Business Combinations (continued)

The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

	SGPA	Young
Cash	$ 2,168,171	$ 844,457
Accounts receivable	839,520	864,177
Accrued revenue	—	46,522
Prepaid expenses and other current assets	97,972	56,284
Property and equipment	191,755	—
Right-of-use operating asset	—	462,305
Trade name	4,200,000	2,000,000
Customer relationships	1,600,000	900,000
Accounts payable and other current liabilities	(898,918)	(503,058)
Operating lease liability	—	(462,305)
Total identifiable net assets	8,198,500	4,208,382
Goodwill	23,358,804	5,993,960
Total	$ 31,557,304	$ 10,202,342

At the time of acquisition, accounts receivable acquired from SGPA and Young totaled $1,154,278 and $1,114,091, respectively, with expected collections of $839,520 for SGPA and $864,177 for Young. During 2025, the expected collections on the acquired SGPA and Young accounts receivable increased to $924,301 and $989,770, respectively.

The identifiable intangible assets acquired and associated useful life and valuation methodologies are as follows:

	SGPA	Young	Useful Life (Yrs)	Valuation Methodology
Customer Relationships	$ 1,600,000	$ 900,000	3	Excess Earnings
Trade Name	4,200,000	2,000,000	15	Relief from Royalty
Total identifiable intangible assets	$ 5,800,000	$ 2,900,000		

The goodwill recognized from the 2024 acquisitions is attributable primarily to the value of the assembled workforce and growth potential of SGPA and Young. The SGPA and Young Acquisition were treated as the acquisition of assets for income tax purposes. Accordingly, the goodwill generated as part of the transaction will be deductible for tax purposes over 15 years.

The terms of the SGPA purchase agreement allow the selling parties of SGPA to receive additional proceeds of up to $1,000,000 (the “SGPA Earnout”) upon the achievement of certain revenue targets during the twelve-month period ending December 31, 2025. At the time of acquisition, the fair value prescribed to the SGPA Earnout was $350,000 and was determined through forecasted earnings and a monte carlo simulation based option pricing model. As of December 31, 2024 the fair value of the SGPA Earnout is $350,000. As of December 31, 2025 the Company expects to settle the SGPA earnout for $1,000,000 based on the achievement of the associated revenue targets and as such recorded an increase to the earnout payable of $650,000 during the year-ended December 31, 2025. The SGPA Earnout will be settled during the year ended December 31, 2026 and as such, is classified as a current liability on the consolidated balance sheet. In addition to the SGPA Earnout, the selling parties of SGPA

are entitled to 50% of fees collected ("WIP Payments") based on the realization of work-in-process as of the closing date that is actually collected by the Company in cash during the twelve-month period ending on June 28, 2025, not to exceed $2,750,000.

Note 3 – Business Combinations (continued)

2024 Business Combinations (continued)

At the time of acquisition, the value prescribed to the WIP Payments of $2,600,000 is based on the fair value of the amount to be paid. Based on the progress towards realization of the closing date work-in-process as December 31, 2024 and December 31, 2025, the Company recognized fair value adjustments of $500,000 and $327,513, respectively, as separate components of nonoperating income on the consolidated statement of operations. During the year ended December 31, 2025, the Company settled the WIP Payments owed to the selling parties of SGPA through total cash remittances of $1,066,453.

The terms of the Young purchase agreement allow the selling parties of Young to receive additional proceeds of up to $2,000,000 (the "Young Earnout"), split between two payments of up to $1,000,000, upon the achievement of certain revenue targets during the twelve-month period ending December 20, 2025 and the twelve-month period ending December 20, 2026. At the time of acquisition, the fair value prescribed to the Young Earnout was $1,030,000 and was determined through forecasted earnings and a monte carlo simulation based option pricing model. As of December 31, 2024 the fair value of the Young Earnout is $1,030,000. During the year ended December 31, 2025, the Company increased the fair value of the expected amount owed under the Young Earnout to $1,850,000. The Company expects to settle $1,000,000 of the Young Earnout during the year ended December 31, 2026 and the remaining amount of $850,000 during the year ended December 31, 2027. In addition to the Young Earnout, the selling parties of Young are entitled to receive additional proceeds ("AR Payments") based on the Company's collection of certain receivables as of the acquisition date.

At the time of acquisition, the fair value prescribed to the AR Payments of $817,000 is based on the expected collections of such receivables. During the year ended December 31, 2025 the Company made total cash remittances of $899,277 to the selling parties of Young. As of December 31, 2025, the fair value prescribed to the remaining expected AR Payments is $105,982.

The Company incurred transaction related expenses of $1,165,404 and $635,103 in connection with the acquisition of SGPA and Young, respectively, which are recorded as nonoperating expense on the consolidated statement of operations. Immediately following the purchase of SGPA, the Company executed a lease agreement to lease the existing SGPA office space from the selling members of SGPA. Total lease payments made under the related party lease agreement during the years ended December 31, 2025 and December 31, 2024 totaled $181,800 and $90,000, respectively.

2025 Business Combinations

On November 21, 2025, ANS purchased substantially all of the assets and liabilities of Precision Public Adjusting, LLC. PPA provides commercial and residential public adjusting services throughout Georgia. The following table summarizes the fair value of the consideration transferred for the PPA acquisition:

Cash	$	4,222,266
Holdback payable		650,000
Common units rollover - 54 Class B Units of Sill Holdings, LLC		100,000
Fair value of total consideration transferred	$	4,972,266

The fair value of the 54 Class B Units issued as part of the consideration transferred was agreed to between the seller and ANS on the acquisition date and was determined using the current value method.

Note 3 – Business Combinations (continued)

2025 Business Combinations (continued)

The following table summarizes the acquisition date fair value of the assets acquired and liabilities assumed:

Accounts receivable	$	260,040
Prepaid expenses and other current assets		23,826
Security deposits		13,490
Right-of-use operating asset		134,363
Trade name		1,200,000
Customer relationships		1,100,000
Non-competition agreements		100,000
Accounts payable and other current liabilities		(119,334)
Due to seller		(260,040)
Operating lease liability		(134,363)
Total identifiable net assets		2,317,982
Goodwill		2,654,284
Total	$	4,972,266

Accounts receivable acquired from PPA totaled $260,040, all of which is expected to be collected. The terms of the PPA purchase agreement require ANS to remit all such collections on the acquired receivables to the selling party of PPA. As of December 31, 2025, a total of $100,443 remains payable to the selling party of PPA.

The identifiable intangible assets acquired and associated useful life and valuation methodologies are as follows:

		Amount	Useful Life (Yrs)	Valuation Methodology
Trade name	$	1,200,000	7	Relief from Royalty
Customer relationships		1,100,000	5	Excess Earnings
Non-competition agreements		100,000	5	Lost Income
Total identifiable intangible assets	$	2,400,000		

The goodwill recognized from the acquisition is attributable primarily to the value of the assembled workforce and growth potential of PPA. The acquisition was treated as the acquisition of assets for income tax purposes and as a result, the goodwill generated will be deductible for tax purposes. The Company incurred transaction related expenses of $762,779 in connection with the acquisition of PPA, which are recorded as nonoperating expenses in the consolidated statement of operations.

Note 4 – Property and Equipment

The Company's property and equipment are summarized as follows:

	2025	2024	Depreciable Life, years
Computer equipment and software	$ 664,401	$ 483,303	5
Furniture and fixtures	77,040	62,915	5
Leasehold Improvements	165,386	165,386	Life of lease
Office equipment	3,143	3,143	5
Total cost	909,970	714,747	
Accumulated depreciation	347,251	174,670	
Net property and equipment	$ 562,719	$ 540,077	

Depreciation expense was $172,581 and $154,160 for the year ended December 31, 2025 and December 31, 2024.

Note 5 –Intangible Assets

Intangible assets of the Company at December 31, 2025 are summarized as follows:

Amortized intangible assets:	Gross Carrying Amount	Accumulated Amortization	Net
Trade name (15-year life)	$ 14,100,000	$ (1,722,079)	$ 12,377,921
Trade name (7-year life)	1,200,000	(19,047)	1,180,953
Customer Relationships (3-year life)	7,000,000	(4,404,122)	2,595,878
Customer Relationships (5-year life)	1,100,000	(24,444)	1,075,556
Internally-developed software (3-year life)	200,000	(144,444)	55,556
Non-competition agreements (5-year life_	100,000	(2,222)	97,778
Total intangible assets	$ 23,700,000	$ (6,316,358)	$ 17,383,642

Intangible assets of the Company at December 31, 2024 are summarized as follows:

Amortized intangible assets	Gross Carrying Amount	Accumulated Amortization	Net
Trade name (15-year life)	$ 14,100,000	$ (782,079)	$ 13,317,921
Customer Relationships (3-year life)	7,000,000	(2,070,779)	4,929,221
Internally-developed software (3-year life)	200,000	(77,778)	122,222
Total intangible assets	$ 21,300,000	$ (2,930,636)	$ 18,369,364

Amortization expense for the year ended December 31, 2025 and December 31, 2024 was $3,385,722 and $2,581,747, respectively.

Note 5 –Intangible Assets (continued)

The estimated amortization expense for the next five years ending December 31 and thereafter is as follows:

Years Ending	Trade Name	Customer Relationships	Internally developed Software	Non-Competition Agreements	Total
2026	$ 1,111,429	$ 2,303,333	$ 55,556	$ 20,000	$ 3,490,318
2027	1,111,429	732,554	—	20,000	1,863,983
2028	1,111,429	220,000	—	20,000	1,351,429
2029	1,111,429	220,000	—	20,000	1,351,429
2030	1,111,429	195,547	—	17,778	1,324,754
Thereafter	8,001,729	—	—	—	8,001,729
Total	$ 13,558,874	$ 3,671,434	$ 55,556	$ 97,778	$ 17,383,642

Note 6 – Senior Secured Note

In connection with the 2023 acquisition described in Note 1, the Company entered into a note purchase agreement with the majority member for an aggregate principal amount of $16 million (the “Senior Secured Note”). There are no principal amounts payable or due until the maturity date of October 20, 2030, at which time the entirety of the principal balance outstanding comes due. The Senior Secured Note bears interest at 14% per annum, payable monthly, and is secured by substantially all of the Company’s assets. The total interest expense incurred during the year ended December 31, 2025 and December 31, 2024 amounted to $2,273,770 and $2,296,521, respectively. The note purchase agreement includes a quarterly maximum leverage covenant and, among other items, restricts the ability of the Company to enter into certain transactions, as further described in the note purchase agreement. The Company was in compliance with such covenants as of both December 31, 2025 and December 31, 2024. As of December 31, 2025 and December 31, 2024 the total principal outstanding under the Senior Secured Note is $16 million.

Note 7 – Members’ Equity

As of December 31, 2025 the authorized, issued, and outstanding units are as follows:

Units	Authorized	Issued	Outstanding	Contributed Capital
Class A Units	85,828	85,828	85,828	$ 96,249,134
Class B Units	6,002	6,002	6,002	7,650,866

As of December 31, 2024 the authorized, issued, and outstanding units are as follows:

Units	Authorized	Issued	Outstanding	Contributed Capital
Class A Units	82,757	82,757	82,757	$ 90,549,134
Class B Units	5,948	5,948	5,948	7,550,866

Distributions shall be made when and as declared by the Board of Managers, and are paid ratably to the holders of Class A Units and Class B Units. Class A Unitholders are entitled to one vote per Class A Unit. Class B Units do not have voting rights.

Note 8 – Unit Options

The Company's 2024 Unit Option Plan (the "Plan") was approved by the Board of Managers on March 20, 2024 and permits the grant of unit options to Company employees for up to 6,500 Class B Units. The Company believes that such awards better align the interests of its employees with those of the Class A Unitholders and Class B Unitholders. Unit option awards are generally granted with an exercise price equal to the market price of the Company's units at the date of grant.

During the year ended December 31, 2024 the Company granted 3,408 unit option awards, of which 1,136 are time-vesting options, 1,136 return-vesting options, and 1,136 are performance-vesting options. The time-vesting unit options vest based on 5 years of continuous service, with 20% vesting at each anniversary date. The return-vesting unit options vest upon the majority member achieving certain internal rate of return and multiple of invested capital metrics upon a change in control event. The performance-vesting unit options vest annually based on certain EBITDA targets and continuous service requirements as defined in the Plan, beginning for the year ended December 31, 2024 and through December 31, 2028. In connection with the achievement of the EBITDA targets for both the year ended December 31, 2025 and December 31, 2024, a total of 217 unit options vested for each year. The Company is not able to conclude with a high degree of probability that the EBITDA performance targets for performance conditions unit options vesting from December 31, 2026 through December 31, 2028 are probable of being met and therefore is not recording expense for such unit options. The options all have a 10-year contractual term and provisions that provide for accelerated vesting upon a change in control event, as defined in the Plan. When calculating the amount of annual compensation expense, the Company has elected not to estimate forfeitures and instead accounts for forfeitures as they occur. The fair value of each option award is estimated on the grant date using a Black-Scholes option valuation model with weighted-average assumptions. The expected volatilities are based on historical volatility of comparable companies. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. A summary of the assumptions used in the Black-Scholes option valuation model is as follows:

Calculated volatility		32.26 %
Range of expected dividends		0.00
Expected Term in Years		7.50
Risk-Free Rate		4.17 %
Weighted Average Grant Date Fair Value	$	320

The following table summarizes option activity under the Plan for the year ended December 31, 2025:

Options	Number of Units	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term (Years)
Outstanding as of December 31, 2023	—	$ —	—
Granted	3,408	1,012	10.00
Exercised	—	—	—
Forfeited or Expired	—	—	—
Outstanding at December 31, 2024	3,408	$ 1,012	9.25
Granted	—	$ —	—
Exercised	—	—	—
Forfeited or Expired	—	—	—
Outstanding at December 31, 2025	3,408	$ 1,012	8.25

The Company recorded $171,046 and $225,344 of compensation expense related to unit option activity during the years ended December 31, 2025 and December 31, 2024, respectively. At December 31, 2025 there is $676,550 of total unrecognized compensation cost related to nonvested unit-based compensation arrangements granted under the Plan.

Note 9 – Retirement Plan

The Company has a defined contribution plan covering substantially all of its employees who meet the eligibility requirements and who elect to participate. In accordance with the terms of the plan, the Company may contribute a discretionary amount for each participant and make certain qualified matching contributions throughout the plan year. The Company's discretionary matching contributions for the year ended December 31, 2025 and December 31, 2024 were $333,056 and $243,164, respectively.

Note 10 – Contingencies

The Company records loss contingencies for claims or legal matters when the outcome is reasonably determinable and a loss can be reasonably estimated. No such claims or legal matters existed during both the year ended December 31, 2025 and December 31, 2024.

Note 11 – Income Taxes

The federal and state provision for income taxes for the year ended December 31, 2025 is as follows:

Jurisdiction:	Current	Deferred	Net
Federal	$ 44,674	$ 262,611	$ 307,285
State	64,017	38,628	102,645
Non-US	246,248	8,284	254,532
Total income tax expense (benefit)	$ 354,939	$ 309,523	$ 664,462

The federal and state provision for income taxes for the year ended December 31, 2024 is summarized as follows:

Jurisdiction:	Current	Deferred	Net
Federal	$ —	$ 446,163	$ 446,163
State	—	69,294	69,294
Non-US	383,044	12,552	395,596
Total income tax expense (benefit)	$ 383,044	$ 528,009	$ 911,053

Note 11 – Income Taxes (continued)

Components of the Company's deferred tax assets and liabilities as of December 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Deferred tax assets:		
Interest expense	$ 171,944	$ 640,976
Other	35,985	10,947
Accrued bonus	311,674	78,921
Lease liabilities	387,798	439,361
Transactions costs	791,839	713,200
Net operating losses	40,146	230,074
Stock compensation	95,486	54,283
Allowance for doubtful accounts	127,916	62,614
Total deferred tax assets	1,962,788	2,230,376
Deferred tax liabilities:		
Property and equipment	67,771	52,613
Prepaid expenses	58,655	52,657
Other receivables	47,271	—
Right-of-use assets	382,170	437,717
Intangible assets	991,719	460,971
Total deferred tax liabilities	1,547,586	1,003,958
Valuation allowance	641,727	1,157,799
Net deferred tax (liability) asset	$ (226,525)	$ 68,619

At December 31, 2025, the Company has a total net federal operating loss carryforward of approximately $166,659 which does not expire.

The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income during the periods in which the related temporary differences become deductible. As of December 31, 2025, using forecasted taxable income, certain deferred tax assets will not be utilized in the forecast period. As a result, the Company recorded a valuation allowance of $641,727 as of December 31, 2025.

During the year ended December 31, 2025, differences between the provision for income tax expense at the federal statutory rate of 21% and the income tax benefit in the consolidated statements of operations relate to state taxes and valuation allowance impacts.

Note 12 – Leases

The Company has entered into contracts to lease office space with terms that expire at various dates through 2029. Under ASC Topic 842, the lease term at the lease commencement date is determined based on the non-cancellable period for which the Company has the right to use the underlying asset, together with any periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option, and periods covered by an option to extend (or not to terminate) the lease in which the exercise of the option is controlled by the lessor. The Company considered a number of factors when evaluating whether the options in its lease contracts were reasonably certain of exercise, such as length of time before option exercise, expected value of the leased asset at the end of the initial lease term, importance of the lease to overall operations, costs to negotiate a new lease, and any contractual or economic penalties.

Note 12 – Leases (continued)

The components of lease expense, which are included in selling, general, and administrative expenses in the consolidated statement of operations during the year ended December 31, 2025 and December 31, 2024, and other lease related disclosures are as follows:

	2025	2024
Amortization of right-of-use assets	$ 431,426	$ 270,768
Interest on lease liabilities	145,561	100,400
Total lease cost	$ 576,987	$ 371,168
Cash lease payments	$ 560,453	$ 365,568
Variable lease costs	$ 205,936	$ 87,141
Weighted-average remaining lease term	38 months	50 months
Weighted-average discount rate	8.3 %	8.5 %

Future maturities of the Company's operating lease liabilities of December 31, 2025 is as follows:

Years Ending	Amount
2026	$ 613,242
2027	539,763
2028	467,926
2029	223,161
Total lease payments	1,844,092
Less: Imputed interest	(235,663)
Present value of lease liabilities	$ 1,608,429

Note 13 – Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 10, 2026, which is the date the financial statements were available to be issued.

Clarion Safety Holdings, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2025 and 2024

Clarion Safety Holdings, LLC and Subsidiaries
Consolidated Financial Statements

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Independent Auditors' Report

To the Members
Clarion Safety Holdings, LLC and Subsidiaries
Milford, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Clarion Safety Holdings, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Clarion Safety Holdings, LLC and Subsidiaries as of December 31, 2025 and 2024, and the results of their consolidated operations and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clarion Safety Holdings, LLC and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clarion Safety Holdings, LLC and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clarion Safety Holdings, LLC and
- Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clarion Safety Holdings, LLC and Subsidiaries ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ PKF O'Connor Davies, LLP
Newburgh, New York
March 13, 2026

Clarion Safety Holdings, LLC and Subsidiaries

Consolidated Balance Sheets

	December 31	
	2025	**2024**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8,434,693	$ 3,509,807
Accounts receivable, less allowance for credit losses of $15,803 and $0 for 2025 and 2024	4,983,488	2,433,196
Inventory	2,127,672	1,049,535
Prepaid expenses	524,642	131,860
Total Current Assets	16,070,495	7,124,398
Property and equipment, net	6,404,062	2,033,621
Other Assets		
Intangible assets, net	8,101,705	6,285,064
Goodwill	67,937,541	65,720,377
Right of Use Asset	470,560	174,617
Total Other Assets	76,509,806	72,180,058
Total Assets	$ 98,984,363	$ 81,338,077
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 4,861,731	$ 2,508,824
Operating lease liability, current portion	101,811	42,078
Total Current Liabilities	4,963,542	2,550,902
Long-Term Liabilities		
Operating lease liability, net of current portion	368,749	132,539
Deferred Tax Liability	655,286	47,247
Loan Payable	22,500,000	22,500,000
Total Liabilities	28,487,577	25,230,688
Commitments and Contingencies		
Members' Equity	70,496,786	56,107,389
Total Liabilities & Members' Equity	$ 98,984,363	$ 81,338,077

See notes to consolidated financial statements

Clarion Safety Holdings, LLC and Subsidiaries

Consolidated Statements of Operations

	Year Ended December 31,	
	2025	**2024**
Net Sales	$ 32,507,800	$ 17,574,218
Cost of goods sold	13,062,380	4,895,993
Gross Profit	19,445,420	12,678,225
Operating Expenses	9,153,222	5,534,515
Income from Operations	10,292,198	7,143,710
Other Expenses		
Interest expense	(3,421,875)	(3,431,250)
Interest Income	207,787	100,284
Fair value adjustment of contingent consideration	(2,308,501)	(1,792,000)
Other expenses	(2,543,174)	(1,371,945)
Total Other Expenses	(8,065,763)	(6,494,911)
Income Before Income Taxes	2,226,435	648,799
Tax Expense	(626,173)	(186,568)
Net Income	$ 1,600,262	$ 462,231

See notes to consolidated financial statements

Clarion Safety Holdings, LLC and Subsidiaries

Consolidated Statements of Changes in Member's Equity

	Year Ended December 31	
	2025	**2024**
Balance, beginning of year	$ 56,107,389	$ 56,337,077
Net income	1,600,262	462,231
Capital contributions	13,986,682	52,173
Issuance of 1,009 Class B units from Arrow Industrial Solutions, LLC Earnout	1,233,668	—
Stock Based Compensation Expense	318,785	155,908
Distributions	(2,750,000)	(900,000)
Balance, end of year	$ 70,496,786	$ 56,107,389

See notes to consolidated financial statements

Clarion Safety Holdings, LLC and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,600,262	$ 462,231
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	1,712,149	1,025,953
Deferred tax expense	608,039	179,782
Stock-based compensation expense	318,785	155,908
Fair value adjustment of contingent consideration	2,308,501	1,792,000
Change in allowance for credit loss	15,803	—
Loss (Gain) on sale of fixed asset	236	(2,389)
Changes in operating assets and liabilities		
Accounts receivable	(883,802)	(901,130)
Inventories	81,400	(14,289)
Prepaid expenses	(213,894)	113,758
Accounts payable and accrued expenses	1,015,963	(642,558)
Net Cash Provided By Operating Activities	6,563,442	2,169,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(468,020)	(47,725)
Acquisition of assets of McLoone Metal Graphics, Inc.	(12,407,218)	—
Net Cash From Investing Activities	(12,875,238)	(47,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions by members	13,986,682	52,173
Distributions to members	(2,750,000)	(900,000)
Net Cash From Financing Activities	11,236,682	(847,827)
Net Change in Cash	4,924,886	1,273,714
Balance, beginning of year	3,509,807	2,236,093
Balance, end of year	$ 8,434,693	$ 3,509,807
Supplemental Disclosure of Cash Flow Information		
Cash paid for:		
Interest	$ 3,421,875	$ 3,431,250
Taxes	$ 18,134	$ 6,786

See notes to consolidated financial statements

Clarion Safety Holdings, LLC and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

1. Organization

Nature of Business: Clarion Safety Holdings, LLC and Subsidiaries is composed of Clarion Safety Holdings, LLC, which was formed in the state of Delaware on November 23, 2021, Clarion Safety Buyer, LLC, which was formed in the state of Delaware on November 23, 2021, Clarion Safety Systems, LLC and Machine Safety Specialists, LLC (collectively the "Company"). The liability of the members of the Company is limited to the members' total capital contribution.

2. Significant Accounting Policies

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Fair Value of Financial Instruments: Fair value is a market-based measurement, which is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques for fair value measurements include the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost), which are each based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The Company utilizes a fair value hierarchy that prioritizes inputs to fair value measurement techniques into three broad levels:

Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.

Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and mode-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

Cash and Cash Equivalents: The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Revenue Recognition: The majority of the Company's revenue relates to the sale of product safety labels, facility signs, and machine guarding to customers. The Company accounts for revenue in accordance with Accounting Standards Codification (ASC) Topic 606 "Revenue from Contracts with Customers". Revenue is recognized when control of the product transfers to the customer in an amount that represents the consideration expected to be received in exchange for those products. The Company considers control to have transferred when legal title, physical possession, and significant risks and rewards of ownership of the asset have transferred to the customer and the collection of the transaction price is reasonably assured, most of which occur upon shipment or delivery of goods to customers. Given the nature of the

Company's business, revenue recognition practices do not contain estimates that materially affect the results of operations.

With the acquisition of Machine Safety Specialists, LLC on June 3, 2022, the Company also generates revenue from professional services to its customers. A single contract could include one or multiple performance obligations. For contracts that have multiple performance obligations, the total transaction price is allocated to each performance obligation based on its relative standalone price, which is determined based on the overall pricing objective. Revenue is recognized when the services are provided, the performance obligations have been satisfied and the final report is issued to the customer.

2. Significant Accounting Policies (continued)

Revenue is generated under a project-billing arrangement. Project billing arrangements involve an agreement between the service provider and the customer on the full scope of the deliverables from the work to be preformed and one set price for the completion of each defined deliverable within that agreed scope. Reimbursable expenses are recognized as expenses in the period in which the expense is incurred.

Accounts Receivable and Allowance for Credit Losses:
Accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the consolidated balance sheet. The Company maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Company recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Company's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Company records a provision for expected credit losses using an aging schedule approach. Expected credit losses are determined on the basis of how long a receivable has been outstanding. At each reporting period, the Company assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Company may determine that it needs to move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables. As of December 31, 2025 and 2024, allowance for credit losses totaled $15,803 and $0.

Net accounts receivable total $4,983,488, $2,433,196, and $1,532,066 as of December 31, 2025, December 31, 2024, and December 31, 2023, respectively.

Inventories: Inventories are valued at the lower of cost or net realizable value with cost being determined on the average cost basis. Costs included in inventories consist of materials, labor and overhead, which are related to the purchase or production of inventories.

Advertising and Promotional Costs: Advertising and promotional costs are charged to operations as incurred and amounted to $288,241 and $194,329 for the years ended December 31, 2025 and 2024, respectively.

Property and Equipment: Fixed assets are recorded at cost. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized. Fixed assets are being depreciated over their estimated useful lives, which range from 3 years to 39 years as shown below:

Building & Improvements	15 – 39 years

Furniture, Fixtures and Equipment	3 – 7 years

Impairment of Long-Lived Assets: The Company evaluates long-lived assets, which include computer hardware and software, equipment, furniture and fixtures, vehicles, and buildings and improvements for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Long-lived assets under certain circumstances are reported at the lower of carrying amount or fair value. Assets to be disposed of and assets not expected to provide any future service potential to the Company are recorded at the lower of carrying amount or fair value less cost to sell. No impairment adjustments were required to be recognized during the years ended December 31, 2025 and 2024.

Income Taxes: A current tax asset or liability is recognized for the estimated taxes refundable or payable on tax returns for the year. Deferred tax assets or liabilities are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

Goodwill: The recorded amounts of goodwill from business combinations are based on management's estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill has an indefinite useful life and is not amortized, but instead is assessed annually for impairment or when there are indications of impairment.

2. Significant Accounting Policies (continued)

No impairment losses were recognized during the years ended December 31, 2025 or 2024.

Intangible Assets: Acquired intangible assets are stated at cost and subject to amortization. The assets are amortized using the straight-line method over the estimated useful lives of the assets of 10-15 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate the carrying amounts may not be recovered. No impairment losses were recognized during the years ended December 31, 2025 and 2024.

Concentration of Credit Risk: The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per financial institution. At December 31, 2025 and 2024 there was $0 and $128,072 exceeding federally insured limits, respectively.

For the year ended December 31, 2025, the Company purchased 27% of materials from one supplier. For the year ended December 31, 2024, the Company purchased 33% of materials from two suppliers, each of which exceeded 10% of the Company's material purchases.

Leases

As of December 15, 2023, the Company leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets"), and operating lease liabilities on the accompanying consolidated balance sheets. The Company assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU Assets and liabilities are recognized at the lase commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Company uses a risk-free rate based on the information available at the commencement

date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Contingencies: The Company may be, from time to time, a party to various contingencies, including litigation and claims, arising in the normal course of business. Because contingencies are inherently unpredictable, particularly in cases where claimants seek substantial or indeterminable damages or where proceedings are in the early stages, the Company cannot predict with certainty the loss or range of loss related to such matters, how or when such matters will be resolved, or what the settlement might be where there is only a reasonable possibility that a loss may have been incurred.

3. Business Combinations

Acquisition of McLoone Metal Graphics, Inc.

The Company acquired the assets and certain liabilities of McLoone Metal Graphics, Inc. on February 5, 2025 for $12,407,218. The following table summarizes the acquisition date fair values of the assets acquired and liabilities assumed:

Accounts receivable	$	1,682,293
Inventory		1,159,537
Prepaid expenses & other current assets		178,888
Property and equipment		4,531,447
Trade name and trademarks		2,900,000
Accounts payable and accruals		(262,111)
Total identifiable assets		10,190,054
Goodwill		2,217,164
Total	$	12,407,218

As part of the sale $668,750 was paid to an escrow agent. These amounts will be disbursed within a year of closing. The Company has included the $668,750 of the escrow as a component of the consideration transferred in exchange for McLoone Metal Graphics, Inc.

In connection with the acquisition, the Company incurred $871,807 in acquisition related costs. These costs are incurred in other expenses in the consolidated statements operations and consist primarily of legal and other professional service fees.

The purchase price allocation is recorded at fair value as Level 3 inputs determined by management based on various market and income analysis.

The carrying values of working capital components approximate their fair values as of February 5, 2025 due to their short-term natures. The net fixed assets are approximated by its fair value as of February 5, 2025 due to the nature of the property and equipment acquired.

The fair values of the trade name and trademarks are determined using the relief from royalty method and includes estimates and assumptions such as the revenue growth rate, the royalty rate, the economic life of the trade name and trademarks and the weighted cost of capital. The fair value of the design library is determined using the multi-period excess earnings method and includes estimates and assumptions such as revenue growth and contributory asset charges. The fair value of the acquired workforce, which is included in goodwill, is determined using estimates and assumptions such as the headcount, the estimated salaries and employee benefits of the workforce and the replacement cost per employee.

The excess of the purchase price over the fair value of the assets acquired its attributed to goodwill. The factors contributing to the excess purchase price include an analysis of the markets in which the Company is conducting business, its potential growth, the processes and know-how of the Company, and its competitive position within the marketplace. The amount of goodwill that is deductible for tax purposes is $2,217,164.

To finance the acquisition, Clarion Safety Holdings, LLC members contributed $13,500,000 of capital to members' equity.

3. Business Combinations (continued)

Acquisition of Arrow Industrial Solutions, LLC

The Company acquired the assets of Arrow Industrial Solutions, LLC on December 15, 2023 for $6,987,469.

In connection with the acquisition, the agreement provides for potential earn-out consideration of up to $2,250,000 for December 31, 2024 and up to $2,250,000 for December 31, 2025 for a maximum totaling $4,500,000 contingent upon Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") thresholds of Arrow Industrial Solutions, LLC. The EBITDA earn-out minimum threshold to earn a portion of the earn-out is $2,000,000. If earn-out considerations are earned, the payments will be a mix of one-third cash and two-thirds Class B Units of the Company valued at their then-current fair market value determined by the Board of Directors. Management has assessed the rolling twelve month EBITDA, revenue estimates, and income levels with respect to the likelihood of achieving the earn-out criteria.

Arrow Industrial Solutions, LLC achieved an earnout totaling $2,250,000 for the year ended December 31, 2025, which is to be paid out once the audited financial statements are issued. As of December 31, 2025, the entire earnout is included in accounts payable and accrued expenses on the consolidated balance sheets. As of December 31, 2024, the projected earnout included in accounts payable and accrued expenses was $1,792,000. However, the final earnout after the updated adjusted EBITDA for December 31, 2024 was $1,850,501. In 2025, $616,833 was paid in cash and $1,233,668 was issued in 1,009 Class B units. Since the likelihood of earning the earnout at acquisition was not likely and not included, the adjustment to fair value of contingency consideration of $2,308,501 is included in other expenses on the consolidated statement of operations, which includes $58,501 from December 31, 2024 and $2,250,000 from December 31, 2025.

The changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Beginning balance	$ 65,720,377	$ 65,720,377
Goodwill acquired during the year	2,217,164	—
Ending balance	$ 67,937,541	$ 65,720,377

4. Inventory

Inventory consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Raw materials	$ 1,611,357	$ 821,931
Work In Progress	98,321	—
Finished Goods	417,994	227,604
	$ 2,127,672	$ 1,049,535

5. Property and Equipment

Property and equipment, net consisted of the following as of December 31, 2025 and 2024:

	2025	2024
Land	$ 1,210,200	$ 410,200
Building and Improvements	2,908,085	1,517,539
Furniture, Fixtures and Equipment	3,195,139	386,867
	7,313,424	2,314,606
Less accumulated depreciation and amortization	909,362	280,985
	$ 6,404,062	$ 2,033,621

Depreciation Expense was $628,790 and $119,817 for the years ended December 31, 2025 and 2024. For the year ended December 31, 2025, there were two assets sold for $3,750 that had a cost basis of $4,400 and a net book value of $3,986 resulting in a loss of sale of assets of $236. For the year ended December 31, 2024, there was an asset sold for $5,732 that had a cost basis of $4,223 and net book value of $3,343 resulting in gain on sale of asset of $2,389.

6. Intangible Assets

Intangible assets include trade names, trademarks and design library with finite lives, which are amortized on a straight-line basis.

Intangible assets consisted of the following as of December 31, 2025 and 2024:

	December 31, 2025		
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:			
Trade name and trademarks	10-15 years	$ 8,740,500	$ 2,550,735
Design Library	10 years	3,220,866	1,308,925
		$ 11,961,366	$ 3,859,661

	December 31, 2024		
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:			
Trade name and trademarks	10 years	$ 5,840,500	$ 1,789,464
Design Library	10 years	3,220,866	986,838
		$ 9,061,366	$ 2,776,302

Amortization expense on intangible assets for the years ended December 31, 2025 and 2024 was $1,083,359 and $906,137, respectively. Amortization expense for each of the next five years is $1,099,470 and $2,604,355 thereafter.

7. Long-Term Debt

On December 9, 2021, in conjunction with the acquisition of Clarion Safety Systems, LLC, the Company entered into a note purchase agreement for a $22,500,000 senior secured note with a related party, Clarion Strategic Capital DebtCo, LLC, an entity related to the majority owner of the Company (see Note 1). The note contains an annual interest rate of 15% and matures on December 9, 2028. Payment of the note is due in full on the maturity date. The Company may prepay the note at a premium based upon the schedule set forth in the note purchase agreement. The note purchase agreement is collateralized by substantially all assets and was guaranteed by the Company. The note purchase agreement contains a restrictive financial covenant beginning in March 2022 for a maximum total leverage ratio of 7.00 to 1.00. As of December 31, 2025 and 2024, the Company was in compliance with its debt covenant.

Interest expense on this note for the years ended December 31, 2025 and 2024 was $3,421,875 and $3,431,250, respectively.

8. Lease Commitments

Operating Leases:

Effective December 15, 2023, the Company entered a five-year operating lease agreement on office space and determined if an arrangement is a lease at inception. On April 30, 2025, the initial lease was terminated, and the Company entered into a new five-year lease agreement on May 1, 2025 for office space that expires on April 30, 2030

Balance sheet information related to operating leases is as follows as of December 31, 2025 and 2024:

	December 31,	
	2025	**2024**
Operating lease ROU assets	$ 470,560	$ 174,617
Current portion of operating lease liabilities	101,811	42,078
Noncurrent portion of operating lease liabilities	368,749	132,539

The components of least cost were as follows for the year ended December 31, 2025 and 2024:

	2025	2024
Lease Expense		
Operating lease Cost	$94,400	$48,000

Information associated with the measurement of the Company's operating lease obligations as of December 31, 2025 and 2024 is as follows:

	2025	2024
Remaining lease term in years for operating Leases	4.33	3.92
Discount rate for operating leases	3.81%	3.91%

As of December 31, 2025, maturities for operating lease liabilities were as follows:

2026	$	117,600
2027		117,600
2028		117,600
2029		117,600
2030		39,200
Total Future Minimum Lease Payments		509,600
Imputed Interest		(39,040)
	$	470,560

8. Lease Commitments (continued)

Supplemental cash flow information related to operating leases was as follows for the year end December 31, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	$94,400	$50,000
ROU asset obtained in exchange for new operating lease liability	$536,314	$—

9. Members' Equity

As of December 31, 2025, Clarion Strategic EquityCo, LLC owned 68,891 Class A Units, representing 100% of the Class A Units of Clarion Safety Holdings, LLC. In 2025, Clarion Strategic EquityCo, LLC received 11,523 Class A Units as part of their capital contributed for the purchase of McLoone Metal Graphics, Inc. As mentioned in Note 3, the member of management of Arrow Industrial Solutions, LLC received 1,009 Class B Units totaling $1,233,668 as a result of earning their 2024 earnout, which was issued in 2025. As of December 31, 2025 and 2024, key executives contributed capital totaling $486,682 and $52,173 receiving 448 and 55 Class B Units. Class A units have voting rights and Class B Units are non-voting.

The following table summarizes the equity activity and balances of the Class A Units and Class B units of Clarion Safety Holdings, LLC as of December 31, 2025 and 2024:

	December 31, 2025					
	Class A Units	Class A Dollar Value	Class B Units	Class B Dollar Value	Total Units	Total Dollar Value
Beginning Balance	57,368	$ 53,290,006	2,226	$ 2,817,383	59,594	$ 56,107,389
Contributions	11,523	13,500,000	1,457	1,720,350	12,980	15,220,350
Net Income	—	1,519,129	—	81,133	—	1,600,262
Stock Based Compensation	—	—	—	318,785	—	318,785
Distributions	—	(2,620,143)	—	(129,857)	—	(2,750,000)
Ending Balance	68,891	$ 65,688,992	3,683	$ 4,807,794	72,574	$ 70,496,786

	December 31, 2024					
	Class A Units	Class A Dollar Value	Class B Units	Class B Dollar Value	Total Units	Total Dollar Value
Beginning Balance	57,368	$ 53,726,570	2,171	$ 2,610,507	59,539	$ 53,337,077
Contributions	—	—	55	52,173	55	52,173
Net Loss	—	429,823	—	32,408	—	462,231
Stock Based Compensation	—	—	—	155,908	—	155,908
Distributions	—	(866,387)	—	(33,613)	—	(900,000)
Ending Balance	57,368	$ 53,290,006	2,226	$ 2,817,383	59,594	$ 53,107,389

Unit Options

In March 2022, the Company established the Clarion Safety Holdings LLC 2022 Unit Option Plan (the "Plan"), which permits the grant of up to approximately 5,243 Class B unit options to Company directors, managers, executives, and other key employees, consultants and advisors of the Company. Unit options are generally granted with an exercise price equal to the market price of the Company's units at the date of grant. Class B unit options are not available to be sold to third parties.

9. Members' Equity (continued)

During the year ended December 31, 2024, the Company granted approximately 209 Class B unit options, of which 50% are time-vesting options and 50% are performance-vesting options. There were no options granted for the year ended December 31, 2025. Time-vesting options vest based on 5 years of continuous service, with 20% vesting on December 31 of each subsequent year for 5 years. The performance-vesting options vest annually pursuant to the company meeting or exceeding targeted earnings thresholds as set by the board through December 31, 2026. In connection with the achievement of the EBITDA targets for the year ended December 31, 2025, a total of 488 unit options vested. The Company is not able to conclude with a high degree of probability that the EBITDA performance targets for performance conditions unit options vesting through December 31, 2026 are probable of being met and therefore is not recording expense for such unit options. As of December 31, 2025, there were a total of 2,232 unit options that vested with a weighted average exercise price of $1,010.05 under the time vesting portion of the Plan. The non vested options have a weighted average exercise price of $ 1,020.09. As of December 31, 2024, there were a total of 1257 unit options that vested with a weighted average exercise price of $1,008.20 under the time vesting portion of the Plan. The non vested options had a weighted average exercise price of $1,016.92. On July 11, 2025 one key executive exercised 227 options at $1,000 per unit.

The company recognized $318,785 in compensation expense for the time and performance vested options in 2025. Unrecognized compensation costs for the non-vested options amounted to $453,736. The weighted average time for the

unrecognized expense to be recognized is 1.70 years. The fair value of each options award is estimated on the grant date using a Black-Scholes option valuation model with weighted-average assumptions. The expected volatilities are based on historical volatility of comparable companies. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury Yield curve in effect at the time of grant.

The company recognized $155,908 in compensation expense for the time vested options in 2024. Unrecognized compensation costs for the non-vested options amounted to $765,552. The weighted average time for the unrecognized expense to be recognized was 2.58 years.

A summary of assumptions used in the Black Scholes option valuation model is as follows:

	2024
Calculated volatility	30.23%
Range of expected dividends	0%
Expected Term (in Years)	5
Risk-Free Rate	4.11%
Weighted Average Grant Date Fair Value	$319.75

9. Members' Equity (continued)

The following table summarizes option activity under the Plan for the years ended December 31, 2025 and 2024:

	Shares	Weighted-Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Non-Exercisable	Exercisable
Outstanding at December 31, 2024	4,876	$ 319.75	7.59	3,619	1,257
Change in units based on time vesting	—	—	—	(488)	488
Change in units based on performance vesting	—	—	—	(488)	488
Granted	—	—	—	—	—
Exercised	(227)	(308)	(7)	—	(227)
Forfeited or expired	—	—	—	—	—
Outstanding at December 31, 2025	4,649	$ 320.33	6.6	2643	2006

	Shares	Weighted-Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Non-Exercisable	Exercisable
Outstanding at December 31, 2023	4,668	$ 319	9	3,898	769
Change in units based on time vesting	—	—	—	(467)	467
Granted	209	343.39	9.04	188	21
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Outstanding at December 31, 2024	4,876	$ 319.75	7.59	3,619	1,257

10. Revenue Recognition

The Company recognizes revenue when control of the product transfers to the customer at an amount that represents the consideration expected to be received in exchange for those products.

Nature of Products

The Company's revenues are primarily from the sale of product safety labels and facility safety signs that are shipped to customers. All revenue is from contracts with customers and is included in "Sales" in the Statement of Operations. The Company's segment information on revenue is as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Amount earned at point in time - labels and signs	$ 24,286,138	$ 10,914,274
Amount earned at point in time - machine guarding	4,864,903	3,878,189
Amount earned over time - consulting	3,356,759	2,781,755
Total Sales	$ 32,507,800	$ 17,574,218

10. Revenue Recognition (continued)

Performance Obligations

The Company's contracts with customers consist of purchase orders. For each contract, the Company considers the commitment to transfer tangible products, which are generally capable of being distinct, to be separate performance obligations. The Company considers shipping and handling to be a part of the fulfillment of the performance obligation for purposes of recognizing shipping and handling revenue.

The majority of the Company's revenue is earned and recognized at a point in time through ship-and-bill performance obligations where the customer typically obtains control of the product upon shipment or delivery, depending on the freight terms. The Company considers control to have transferred if legal title, physical possession, and the significant risks and rewards of ownership of the asset have transferred to the customer and the Company has a present right to payment. In almost all cases, control transfers once a product is shipped or delivered, as this is when a customer is able to direct and obtain substantially all of the remaining benefit associated with the use of the asset.

Transaction Price and Variable Consideration

Revenue is measured as the amount of consideration the Company expects to be entitled to in exchange for the transfer of product to a customer. The transaction price is generally the price stated in the contract specific for each item sold, adjusted for all applicable variable considerations. Variable considerations generally include discounts, returns, credits, rebates, or other allowances that reduce the transaction price.

Payment Terms

While the Company's standard payment terms are net 30 days, the specific payment terms and conditions in its contracts with customers vary by type and location of the customer. Cash discounts may be offered to certain customers. The Company has payment terms in its contracts with customers of less than one year and has elected the practical expedient applicable to such contracts and does not consider the time value of money.

Contract Liabilities

Contract liabilities consist primarily of customer deposits. Upon receipt of a prepayment from a customer, the Company recognizes a contract liability in the amount of the prepayment for its performance obligation to transfer goods in the future. Customer deposits totaled $687,555, $21,039, and $0 as of December 31, 2025, 2024, and 2023. The Company

will recognize these deposits as revenue when it transfers the goods and satisfies its performance obligation. Contract liabilities are included in accounts payable and accrued expenses on the consolidated balance sheets as of December 31, 2025 and 2024.

Practical Expedients

The following is a summary of practical expedients the Company has elected to apply under ASC 606.

The Company's contracts have an original expected duration of one year or less. As a result, the Company has elected to use the practical expedient to not disclose its remaining performance obligations for contracts that have an original expected length of one year or less.

The Company applied the portfolio approach to its ship-and-bill contracts that have similar characteristics as it reasonably expects that the effects on the financial statements of applying this guidance to the portfolio of contracts would not differ materially from applying this guidance to the individual contracts within the portfolio.

Sales and use tax, value-added tax, and other similar taxes assessed by governmental authorities and collected concurrent with the revenue-producing activities are excluded from the transaction price.

11. Income Taxes

The Company elected to be treated as a corporation for income tax purposes. The Company accounts for income taxes in accordance with the "Liability Method," pursuant to U.S. GAAP. Under this method, income taxes consist of taxes currently due plus those deferred due to temporary differences between the financial reporting basis and tax basis of the Company assets and liabilities measured by enacted tax rates for the years in which the taxes are expected to be paid or recovered. The Company recognizes the benefit from income tax positions taken in its income tax returns only when those positions are believed to be more likely than not to be sustained upon review by the tax authorities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalties on income taxes as a component of income tax expense. Management has determined that the Company had no uncertain tax positions that would require financial statement recognition or disclosure.

Clarion Safety Systems, LLC is subject to U.S. federal, state or local income tax examinations for periods after 2023.

The components of income tax expense included in the consolidated statements of operations are as follows for the years ended December 31, 2025 and 2024:

	December 31, 2025		
	Federal Expense	State Expense	Total Expense
Current	$ —	$ 18,134	$ 18,134
Deferred	467,551	140,488	608,039
Income Tax Expense	$ 467,551	$ 158,622	$ 626,173

	December 31, 2024		
	Federal Expense	State Expense	Total Expense
Current	$ —	$ 6,786	$ 6,786
Deferred	121,440	58,342	179,782
Income Tax Expense	$ 121,440	$ 65,128	$ 186,568

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate computed at 21% to income before taxes is as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Income tax expense	$ 467,551	$ 121,440
State taxes, net of federal effect	158,622	65,128
Income Tax Expense	$ 626,173	$ 186,568

The details of the deferred tax (liability) asset are as follows as of December 31, 2025 and 2024:

	2025	2024
Goodwill and Intangibles	$ (2,174,905)	$ (1,987,453)
Fixed Assets	(704,879)	(63,116)
Net operating Loss Carryforwards	2,224,498	2,003,322
Deferred Tax, Net	$ (655,286)	$ (47,247)

As of December 31, 2025, the Company has a net operating loss carryforward of approximately $8,145,360. Management estimates that the net operating loss will be fully utilized and therefore no valuation allowance is necessary on the net operating loss.

12. Retirement Plan

The Company offers a 401(k) plan covering substantially all of its employees. Eligible employees may elect to contribute a percentage of their gross salary, subject to Internal Revenue Code limits. The Company contributes a 50% match of the employees' participation (up to 6% of their annual salary). The Company contributed to the plan $209,733 and $187,822 in 2025 and 2024.

13. Subsequent Events

The Company has evaluated subsequent events through March 13, 2026, the date on which the consolidated financial statements were issued.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 26th day of March, 2026.

CNL STRATEGIC CAPITAL, LLC

By: /s/ Chirag J. Bhavsar
CHIRAG J. BHAVSAR
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Tammy J. Tipton
TAMMY J. TIPTON
Chief Financial Officer
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Chirag J. Bhavsar and Tammy J. Tipton, and each of them, with full power to act without the other, such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Form 10-K and any and all amendments thereto, and to file the same, with exhibits and schedules thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James M. Seneff, Jr. **JAMES M. SENEFF, JR.**	Chairman of the Board	March 26, 2026
/s/ Chirag J. Bhavsar **CHIRAG J. BHAVSAR**	Chief Executive Officer (Principal Executive Officer)	March 26, 2026
/s/ Tammy J. Tipton **TAMMY J. TIPTON**	Chief Financial Officer (Principal Financial and Accounting Officer)	March 26, 2026
/s/ Andrew M. Schwartz **ANDREW M. SCHWARTZ**	Director	March 26, 2026
/s/ Mark D. Linsz **MARK D. LINSZ**	Director	March 26, 2026

Signature	Title	Date
/s/ Benjamin A. Posen	Director	March 26, 2026
BENJAMIN A. POSEN		
/s/ Robert J. Woody	Director	March 26, 2026
ROBERT J. WOODY		

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 17 DATED MARCH 24, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 17 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended February 28, 2026; and
- certain return information for all outstanding classes of shares.

Public Offering Price Adjustment

On March 24, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of March 31, 2026 and will be used for the Company's next monthly closing for subscriptions on March 31, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of February 28, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$41.93	$40.20	$38.09	$38.79
Selling Commissions, Per Share	$2.52	$1.21		
Dealer Manager Fees, Per Share	$1.04	$0.70		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On March 24, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
April 27, 2026	April 28, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended February 28, 2026

On March 24, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. Additionally, pursuant to our share repurchase program, we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares back to us at a price equal to the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date for our next quarterly repurchase will be March 31, 2026. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of February 28, 2026 (in thousands, except per share data):

Month Ended February 28, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,880	$355,232	$77,507	$116,853	$666,035	$73,787	$1,450,294
Number of Outstanding Shares	3,724	9,258	2,024	3,067	17,171	1,688	36,932
Net Asset Value, Per Share	$43.20	$38.37	$38.29	$38.09	$38.79	$43.71	
Net Asset Value, Per Share Prior Month	$43.08	$38.28	$38.20	$38.00	$38.70	$43.59	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.12	$0.09	$0.09	$0.09	$0.09	$0.12	

The change in the Company's net asset value per share for each applicable share class for the month ended February 28, 2026 was primarily driven by the increases in the fair value of twelve out of eighteen of the Company's portfolio company investments. The fair value of six of the Company's portfolio company investments decreased during the same period. As of February 28, 2026, the Company had total assets of approximately $1.48 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through February 28, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	1.0%	11.7%	34.0%	66.6%	11.0%	131.9%	February 7, 2018 – February 28, 2026
Class FA (with sales load)	-5.6%	4.4%	25.3%	55.8%	10.1%	116.8%	February 7, 2018 – February 28, 2026
Class A (no sales load)	1.0%	10.8%	30.6%	56.1%	10.0%	112.0%	April 10, 2018 – February 28, 2026
Class A (with sales load)	-7.6%	1.4%	19.5%	42.8%	8.8%	94.0%	April 10, 2018 – February 28, 2026
Class I	0.9%	10.7%	30.1%	55.8%	10.1%	113.4%	April 10, 2018 – February 28, 2026
Class T (no sales load)	0.8%	9.8%	27.6%	50.7%	9.0%	96.0%	May 25, 2018 – February 28, 2026
Class T (with sales load)	-4.0%	4.6%	21.6%	43.5%	8.4%	86.7%	May 25, 2018 – February 28, 2026
Class D	0.9%	10.5%	29.8%	55.2%	9.5%	100.4%	June 26, 2018 – February 28, 2026
Class S (no sales load)	1.0%	11.7%	34.5%	67.0%	12.0%	95.9%	March 31, 2020 – February 28, 2026
Class S (with sales load)	-2.5%	7.8%	29.8%	61.1%	11.4%	89.0%	March 31, 2020 – February 28, 2026

[(1)] For the period from January 1, 2026 through February 28, 2026.
[(2)] For the period from March 1, 2025 through February 28, 2026.
[(3)] For the period from March 1, 2023 through February 28, 2026.
[(4)] For the period from March 1, 2021 through February 28, 2026.
[(5)] For the period from the date the first share was issued for each respective share class through February 28, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the two months ended February 28, 2026, sources of declared distributions on a GAAP basis were as follows:

	Two Months Ended February 28, 2026	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 3,841	51.7 %
Net realized gains	—	— %
Distributions in excess of net investment income and net realized gains[2]	3,592	48.3 %
Total distributions declared	$ 7,433	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Two Months Ended February 28, 2026	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 3,690	104.0 %
Expense support (reimbursement)	151	4.3 %
Net investment income	$ 3,841	108.3 %
Net realized gains	—	— %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	— %
Cash distributions declared net of distributions reinvested[3]	$ 3,548	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $151 for the two months ended February 28, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the two months ended February 28, 2026, excludes $3,885 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 16 DATED FEBRUARY 23, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 16 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended January 31, 2026;
- certain return information for all outstanding classes of shares; and
- an update to the "Our Portfolio" section.

Public Offering Price Adjustment

On February 23, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of February 27, 2026 and will be used for the Company's next monthly closing for subscriptions on February 27, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of January 31, 2026. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$41.84	$40.10	$38.00	$38.70
Selling Commissions, Per Share	$2.51	$1.20		
Dealer Manager Fees, Per Share	$1.05	$0.70		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On February 23, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
March 26, 2026	March 27, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended January 31, 2026

On February 23, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of January 31, 2026 (in thousands, except per share data):

Month Ended January 31, 2026	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,447	$349,363	$80,840	$116,252	$652,010	$73,577	$1,432,489
Number of Outstanding Shares	3,724	9,128	2,116	3,059	16,849	1,688	36,564
Net Asset Value, Per Share	$43.08	$38.28	$38.20	$38.00	$38.70	$43.59	
Net Asset Value, Per Share Prior Month	$42.98	$38.21	$38.15	$37.94	$38.64	$43.48	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.10	$0.07	$0.05	$0.06	$0.06	$0.11	

The change in the Company's net asset value per share for each applicable share class for the month ended January 31, 2026 was primarily driven by the increases in the fair value of twelve out of eighteen of the Company's portfolio company investments. The fair value of five of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of January 31, 2026, the Company had total assets of approximately $1.46 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through January 31, 2026 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	0.5%	12.2%	33.6%	69.5%	11.0%	130.7%	February 7, 2018 – January 31, 2026
Class FA (with sales load)	-6.1%	4.9%	24.9%	58.5%	10.1%	115.7%	February 7, 2018 – January 31, 2026
Class A (no sales load)	0.5%	11.3%	30.1%	57.8%	10.0%	110.9%	April 10, 2018 – January 31, 2026
Class A (with sales load)	-8.1%	1.8%	19.0%	44.4%	8.8%	93.0%	April 10, 2018 – January 31, 2026
Class I	0.4%	11.1%	29.6%	57.5%	10.1%	112.3%	April 10, 2018 – January 31, 2026
Class T (no sales load)	0.4%	10.2%	27.0%	52.3%	9.1%	95.1%	May 25, 2018 – January 31, 2026
Class T (with sales load)	-4.4%	5.0%	21.0%	45.0%	8.4%	85.9%	May 25, 2018 – January 31, 2026
Class D	0.4%	10.9%	29.2%	56.9%	9.5%	99.4%	June 26, 2018 – January 31, 2026
Class S (no sales load)	0.5%	12.2%	34.2%	68.9%	12.1%	94.9%	March 31, 2020 – January 31, 2026
Class S (with sales load)	-3.0%	8.3%	29.5%	63.0%	11.4%	88.0%	March 31, 2020 – January 31, 2026

[1] For the period from January 1, 2026 through January 31, 2026.
[2] For the period from February 1, 2025 through January 31, 2026.
[3] For the period from February 1, 2023 through January 31, 2026.
[4] For the period from February 1, 2021 through January 31, 2026.
[5] For the period from the date the first share was issued for each respective share class through January 31, 2026. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the month ended January 31, 2026, sources of declared distributions on a GAAP basis were as follows:

	Month Ended January 31, 2026		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 2,225	60.1	%
Net realized gains	—	—	%
Distributions in excess of net investment income and net realized gains[2]	1,475	39.9	%
Total distributions declared	$ 3,700	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Month Ended January 31, 2026		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 2,120	120.6	%
Expense support (reimbursement)	105	6.0	%
Net investment income	$ 2,225	126.6	%
Net realized gains	—	—	%
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	—	%
Cash distributions declared net of distributions reinvested[3]	$ 1,758	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $105 for the month ended January 31, 2026.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the month ended January 31, 2026, excludes $1,942 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 47.4%, 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 2.2%, 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 45.9%, 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. For the year ended December 31, 2025, 4.5% of distributions were additionally paid from realized gains. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added to the existing section entitled "Financing Line of Credit" within the "Our Portfolio" section, which first appears on page 97 of the Prospectus.

Financing Line of Credit

On February 23, 2026, CNL Strategic Capital B, Inc. ("Borrower"), a wholly-owned subsidiary of the Company and Valley National Bank, a Tennessee banking corporation, (referred to as "Valley National Bank") entered into an Amendment ("Amendment") to the Loan and Security Agreement (the "Loan Agreement") previously entered into by such parties for a revolving line of credit (the "Line of Credit"). Under the Amendment, unless further extended, the Line of Credit has a new maturity date of May 15, 2026.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 15 DATED JANUARY 26, 2026
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 15 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- an update to our Suitability Standards section;
- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended December 31, 2025; and
- certain return information for all outstanding classes of shares.

Suitability Standards

The following disclosure amends and restates the additional suitability requirements for investors residing in Alabama under the section "Suitability Standards" which appears on page ii of the Prospectus.

Alabama - Alabama investors must have either (i) a minimum of $100,000 annual gross income and a net worth of $100,000, or (ii) a net worth of at least $350,000. In addition, an Alabama investor's aggregate investment in us and other non-traded direct participation programs shall not exceed 10% of such investor's liquid net worth at the time of investment in us. This concentration limit does not apply to investments made as a result of participation in a distribution reinvestment program nor to an investor who is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended. Liquid net worth is defined as that portion of net worth consisting of cash, cash equivalents and readily marketable securities.

Public Offering Price Adjustment

On January 26, 2026, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of January 30, 2026 and will be used for the Company's next monthly closing for subscriptions on January 30, 2026. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of December 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$41.76	$40.05	$37.94	$38.64
Selling Commissions, Per Share	$2.51	$1.20		
Dealer Manager Fees, Per Share	$1.04	$0.70		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On January 26, 2026, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
February 26, 2026	February 27, 2026	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended December 31, 2025

On January 26, 2026, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of December 31, 2025 (in thousands, except per share data):

Month Ended December 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,072	$344,908	$82,816	$115,767	$641,400	$73,394	$1,418,357
Number of Outstanding Shares	3,724	9,026	2,171	3,051	16,598	1,688	36,258
Net Asset Value, Per Share	$42.98	$38.21	$38.15	$37.94	$38.64	$43.48	
Net Asset Value, Per Share Prior Month	$42.54	$37.93	$37.81	$37.63	$38.45	$43.08	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.44	$0.28	$0.34	$0.31	$0.19	$0.40	

The change in the Company's net asset value per share for each applicable share class for the month ended December 31, 2025 was primarily driven by the increases in the fair value of eleven out of eighteen of the Company's portfolio company investments. The fair value of six of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of December 31, 2025, the Company had total assets of approximately $1.5 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through December 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	11.7%	11.7%	34.9%	71.8%	11.1%	129.6%	February 7, 2018 – December 31, 2025
Class FA (with sales load)	4.5%	4.5%	26.1%	60.6%	10.2%	114.7%	February 7, 2018 – December 31, 2025
Class A (no sales load)	10.8%	10.8%	31.2%	60.6%	10.1%	109.9%	April 10, 2018 – December 31, 2025
Class A (with sales load)	1.4%	1.4%	20.1%	46.9%	8.8%	92.1%	April 10, 2018 – December 31, 2025
Class I	10.6%	10.6%	30.8%	60.3%	10.2%	111.4%	April 10, 2018 – December 31, 2025
Class T (no sales load)	9.8%	9.8%	28.2%	54.9%	9.1%	94.5%	May 25, 2018 – December 31, 2025
Class T (with sales load)	4.5%	4.5%	22.1%	47.5%	8.4%	85.2%	May 25, 2018 – December 31, 2025
Class D	10.5%	10.5%	30.4%	59.6%	9.6%	98.6%	June 26, 2018 – December 31, 2025
Class S (no sales load)	11.8%	11.8%	35.4%	71.9%	12.2%	93.9%	March 31, 2020 – December 31, 2025
Class S (with sales load)	7.9%	7.9%	30.7%	65.9%	11.5%	87.1%	March 31, 2020 – December 31, 2025

[(1)] For the period from January 1, 2025 through December 31, 2025.

(2) For the period from January 1, 2025 through December 31, 2025.
(3) For the period from January 1, 2023 through December 31, 2025.
(4) For the period from January 1, 2021 through December 31, 2025.
(5) For the period from the date the first share was issued for each respective share class through December 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the year ended December 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Year Ended December 31, 2025		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 21,244	49.6	%
Net realized gains	1,928	4.5	%
Distributions in excess of net investment income and net realized gains[2]	21,549	50.4	%
Total distributions declared	$ 42,793	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Year Ended December 31, 2025		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 20,294	96.2	%
Expense support (reimbursement)	950	4.5	%
Net investment income	$ 21,244	100.7	%
Net realized gains	1,928	9.1	%
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	—	%
Cash distributions declared net of distributions reinvested[3]	$ 21,087	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $950 for the year ended December 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the year ended December 31, 2025, excludes $21,706 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 14 DATED DECEMBER 22, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 14 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended November 30, 2025;
- certain return information for all outstanding classes of shares; and
- updates to the "Our Portfolio" section.

Public Offering Price Adjustment

On December 22, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of December 29, 2025 and will be used for the Company's next monthly closing for subscriptions on December 31, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of November 30, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$41.45	$39.70	$37.63	$38.45
Selling Commissions, Per Share	$2.49	$1.19		
Dealer Manager Fees, Per Share	$1.03	$0.70		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On December 22, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
January 26, 2025	January 27, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended November 30, 2025

On December 22, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. Additionally, pursuant to our share repurchase program, we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares back to us at a price equal to the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date for our next quarterly repurchase will be December 31, 2025. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of November 30, 2025 (in thousands, except per share data):

Month Ended November 30, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$164,684	$341,528	$86,499	$116,048	$638,705	$73,208	$1,420,672
Number of Outstanding Shares	3,871	9,005	2,288	3,084	16,610	1,699	36,557
Net Asset Value, Per Share	$42.54	$37.93	$37.81	$37.63	$38.45	$43.08	
Net Asset Value, Per Share Prior Month	$42.29	$37.68	$37.63	$37.41	$38.19	$42.79	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.25	$0.25	$0.18	$0.22	$0.26	$0.29	

The change in the Company's net asset value per share for each applicable share class for the month ended November 30, 2025 was primarily driven by the increases in the fair value of thirteen out of seventeen of the Company's portfolio company investments. The fair value of three of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of November 30, 2025, the Company had total assets of approximately $1.47 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through November 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	10.4%	12.2%	35.3%	71.9%	11.0%	126.8%	February 7, 2018 – November 30, 2025
Class FA (with sales load)	3.2%	4.9%	26.5%	60.7%	10.1%	112.1%	February 7, 2018 – November 30, 2025
Class A (no sales load)	9.7%	11.4%	31.8%	61.8%	10.0%	107.8%	April 10, 2018 – November 30, 2025
Class A (with sales load)	0.4%	1.9%	20.6%	48.0%	8.8%	90.2%	April 10, 2018 – November 30, 2025
Class I	9.8%	11.2%	31.4%	61.9%	10.2%	109.8%	April 10, 2018 – November 30, 2025
Class T (no sales load)	8.5%	10.1%	28.5%	55.7%	9.1%	92.3%	May 25, 2018 – November 30, 2025
Class T (with sales load)	3.4%	4.9%	22.4%	48.3%	8.4%	83.2%	May 25, 2018 – November 30, 2025
Class D	9.3%	11.0%	30.8%	60.7%	9.5%	96.5%	June 26, 2018 – November 30, 2025
Class S (no sales load)	10.5%	12.2%	35.9%	73.2%	12.2%	91.7%	March 31, 2020 – November 30, 2025
Class S (with sales load)	6.6%	8.3%	31.1%	67.1%	11.5%	84.9%	March 31, 2020 – November 30, 2025

[(1)] For the period from January 1, 2025 through November 30, 2025.
[(2)] For the period from December 1, 2024 through November 30, 2025.
[(3)] For the period from December 1, 2022 through November 30, 2025.
[(4)] For the period from December 1, 2020 through November 30, 2025.
[(5)] For the period from the date the first share was issued for each respective share class through November 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the eleven months ended November 30, 2025, sources of declared distributions on a GAAP basis were as follows:

	Eleven Months Ended November 30, 2025		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 16,006	41.0	%
Net realized gains	1,432	3.7	%
Distributions in excess of net investment income and net realized gains[2]	23,060	59.0	%
Total distributions declared	$ 39,066	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Eleven Months Ended November 30, 2025		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 11,782	61.1	%
Expense support (reimbursement)	4,224	21.9	%
Net investment income	$ 16,006	83.0	%
Net realized gains	1,432	7.4	%
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	1,839	9.5	%
Cash distributions declared net of distributions reinvested[3]	$ 19,277	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $4,224 for the eleven months ended November 30, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the eleven months ended November 30, 2025, excludes $19,789 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Sill Public Adjusters" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In November 2025, we made an additional equity investment of $5.7 million to finance Sill's acquisition of Precision Public Adjusting. Founded in 2020 and headquartered in Suwanee, Georgia, Precision is a public adjusting firm primarily serving residential customers in the greater Atlanta market.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "USA Water" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In August 2025, USA Water acquired Tindall Enterprises, Inc. Headquartered in Blackshear, Georgia, Tindall provides full-scale water utility, laboratory and property environmental services to municipal, agricultural, industrial, and private entities.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "Law Business Research" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In October 2025, LBR acquired Legal Geek, a legal technology events platform headquartered in London.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "MAP Retirement" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In October 2025, MAP acquired Retirement Solutions Specialists, a third-party administrator for retirement plans headquartered in Jacksonville, Florida.

The following disclosure is added as new paragraph in the sub-section entitled "Growth Opportunities" under the section "International Franchise Professionals Group" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In December 2025, we made an additional debt investment of $4.5 million to finance IFPG's acquisition of Franchise Business Review, a leading franchise survey platform. Founded in 2004 and headquartered in Portsmouth, New Hampshire, Franchise Business Review is a technology-enabled platform performing franchisee surveys for franchise brands to improve insights into its operational and franchise development performance and leverages its data for research and benchmarking studies, awards licensing and advertising.

The following disclosure supplements the Prospectus by adding a new subsection entitled "USA Industries" under the section "Our Portfolio" which first appears on page 98 of the Prospectus.

USA Industries

Overview. On December 11, 2025, we, through our wholly-owned subsidiaries, USA-Ind Strategic Capital EquityCo, LLC and USA-Ind Strategic Capital DebtCo, LLC, made an approximately $5.0 million indirect co-investment alongside other vehicles managed by affiliates of the Sub-Manager in USA Industries TopCo, LLC, which owns a controlling equity interest in USA Industries ("USA Industries"). Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $4.2 million and $0.8 million through a participation interest in secured debt of USA Industries. Our equity investment represents less than 4% of the total equity ownership of USA Industries.

Company Overview. Headquartered in Houston, Texas, USA Industries is a manufacturer of industrial flow control and testing products serving refinery / petrochemical, chemical, and industrial end markets. USA Industries was founded in 1982.

Investment Highlights. Over its nearly 43-year operating history, we believe that USA Industries' historical revenue growth has been supported, in part, by its long-tenured and diverse customer base. We further believe that the large number of products in USA Industries' product portfolio combined with USA Industries' in-house engineering capabilities enable potential competitive advantages through the speed of delivery of its products, high customer service, and customization. As the installed base of infrastructure continues to age, we believe that USA Industries is well positioned to benefit from the anticipated product demand associated with required maintenance, repairs and operational needs within the end markets which USA Industries serves.

Growth Opportunities. The following are key growth opportunities for USA Industries: (i) sales force optimization, (ii) geographic expansion, (iii) new product development, and (iv) strategic M&A to further bolster the company's scale and presence.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 13 DATED NOVEMBER 21, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 13 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended October 31, 2025; and
- certain return information for all outstanding classes of shares.

Public Offering Price Adjustment

On November 21, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of November 26, 2025 and will be used for the Company's next monthly closing for subscriptions on November 26, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of October 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$41.18	$39.51	$37.41	$38.19
Selling Commissions, Per Share	$2.47	$1.19		
Dealer Manager Fees, Per Share	$1.03	$0.69		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On November 21, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
December 26, 2025	December 29, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended October 31, 2025

On November 21, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of October 31, 2025 (in thousands, except per share data):

Month Ended October 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$163,686	$337,370	$84,994	$114,921	$625,550	$72,710	$1,399,231
Number of Outstanding Shares	3,871	8,953	2,259	3,072	16,380	1,699	36,234
Net Asset Value, Per Share	$42.29	$37.68	$37.63	$37.41	$38.19	$42.79	
Net Asset Value, Per Share Prior Month	$42.05	$37.51	$37.46	$37.24	$37.96	$42.55	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.24	$0.17	$0.17	$0.17	$0.23	$0.24	

The change in the Company's net asset value per share for each applicable share class for the month ended October 31, 2025 was primarily driven by the increases in the fair value of thirteen out of seventeen of the Company's portfolio company investments. The fair value of three of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of October 31, 2025, the Company had total assets of approximately $1.45 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through October 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	9.4%	12.7%	35.5%	72.5%	11.0%	124.9%	February 7, 2018 – October 31, 2025
Class FA (with sales load)	2.3%	5.4%	26.7%	61.3%	10.1%	110.3%	February 7, 2018 – October 31, 2025
Class A (no sales load)	8.7%	11.7%	31.7%	62.2%	10.0%	105.9%	April 10, 2018 – October 31, 2025
Class A (with sales load)	-0.6%	2.2%	20.5%	48.4%	8.7%	88.4%	April 10, 2018 – October 31, 2025
Class I	8.8%	11.6%	31.5%	62.3%	10.2%	107.8%	April 10, 2018 – October 31, 2025
Class T (no sales load)	7.8%	10.6%	28.6%	56.2%	9.1%	91.0%	May 25, 2018 – October 31, 2025
Class T (with sales load)	2.7%	5.4%	22.5%	48.8%	8.4%	81.9%	May 25, 2018 – October 31, 2025
Class D	8.4%	11.4%	30.8%	61.1%	9.5%	94.9%	June 26, 2018 – October 31, 2025
Class S (no sales load)	9.5%	12.7%	36.1%	73.8%	12.2%	89.9%	March 31, 2020 – October 31, 2025
Class S (with sales load)	5.6%	8.8%	31.3%	67.7%	11.4%	83.3%	March 31, 2020 – October 31, 2025

[1] For the period from January 1, 2025 through October 31, 2025.
[2] For the period from November 1, 2024 through October 31, 2025.
[3] For the period from November 1, 2022 through October 31, 2025.
[4] For the period from November 1, 2020 through October 31, 2025.
[5] For the period from the date the first share was issued for each respective share class through October 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the ten months ended October 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Ten Months Ended October 31, 2025	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 14,992	42.4 %
Net realized gains	1,432	4.0 %
Distributions in excess of net investment income and net realized gains[2]	20,379	57.6 %
Total distributions declared	$ 35,371	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Ten Months Ended October 31, 2025	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 12,897	73.8 %
Expense support (reimbursement)	2,095	12.0 %
Net investment income	$ 14,992	85.8 %
Net realized gains	1,432	8.2 %
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	1,053	6.0 %
Cash distributions declared net of distributions reinvested[3]	$ 17,477	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $2,095 for the ten months ended October 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the ten months ended October 31, 2025, excludes $17,894 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 12 DATED NOVEMBER 7, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 12 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- updates to our "Suitability Standards" section;
- updates to our Prospectus Summary;
- an updated "Management's Discussion and Analysis of Financial Condition and Results of Operations" section substantially the same as that which was included in our Quarterly Report on Form 10-Q, filed on November 6, 2025;
- an updated "Our Portfolio" section; and
- our condensed consolidated unaudited financial statements and the notes thereto as of and for the period ended September 30, 2025, as included in our Quarterly Report on Form 10-Q, filed on November 6, 2025.

Suitability Standards

The following disclosure amends and restates the additional suitability requirements for investors residing in Massachusetts and Oregon under the section "Suitability Standards" which appears on pages ii and iii, respectively, of the Prospectus.

Massachusetts – Massachusetts investors must have either (i) a minimum liquid net worth of at least $100,000 and a minimum annual gross income of at least $85,000, or (ii) a minimum liquid net worth of $350,000. In addition, investors must limit their investment in us, our affiliates and other non-publicly traded direct investment programs (including real estate investment trusts, business development companies, oil and gas programs, equipment leasing programs and commodity pools, but excluding unregistered, federally and state exempt private offerings) to 10% of their liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth (total assets exclusive of home, home furnishings and automobiles, minus total liabilities) that consists of cash, cash equivalents and readily marketable securities.

Oregon – In addition to the suitability standards set forth above, Oregon investors must limit their investment in us to no more than 10% of their liquid net worth. "Liquid net worth" is defined as that portion of an investor's net worth consisting of cash, cash equivalents and readily marketable securities.

Prospectus Summary

The following disclosure supersedes and replaces the second paragraph under the section "Prospectus Summary—Q: Who are Levine Leichtman Strategic Capital, LLC and LLCP?", which appears on page 3 of the Prospectus.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 41 years. Since its inception in 1984, LLCP and its affiliates have managed approximately $18.2 billion of capital and currently manages approximately $12.6 billion of assets through June 30, 2025. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP's global team of dedicated investment professionals is led by nine partners who have worked at LLCP for an average of 21 years. LLCP currently has 90 employees, including over 40 dedicated investment professionals.

The following disclosure supersedes and replaces the second sentence of the first paragraph under the section "Prospectus Summary—Q: May I reinvest my cash distributions in additional shares?" which appears on page 16 of the Prospectus.

We have adopted a distribution reinvestment plan in which shareholders (other than shareholders who are residents of Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington (collectively the "Opt-in States"), holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares unless they elect to receive their distributions in cash.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Prospectus is hereby supplemented with the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is substantially the same as that which was included in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025. Unless otherwise defined in this supplement, capitalized terms are defined in such Quarterly Report on Form 10-Q.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on the unaudited condensed consolidated financial statements as of September 30, 2025 and December 31, 2024, and for the quarter and six months ended September 30, 2025 and 2024. Amounts as of December 31, 2024 included in the unaudited condensed consolidated statements of assets and liabilities have been derived from the audited consolidated financial statements as of that date. This information should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the notes thereto, as well as the audited consolidated financial statements, notes and management's discussion and analysis included in our Annual Report on Form 10-K for the year ended December 31, 2024 (our "Form 10-K"). Capitalized terms used in this supplement have the same meaning as in the accompanying unaudited condensed financial statements unless otherwise defined herein.

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by the Manager, CNL Strategic Capital Management, LLC, an entity that is registered as an investment adviser under the Advisers Act. The Manager is controlled by CNL Financial Group, LLC, a private investment management firm specializing in alternative investment products. We have engaged the Manager under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities and sub-managed by the Sub-Manager, Levine Leichtman Strategic Capital, LLC, a registered investment adviser, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

Since we commenced operations on February 7, 2018, we have acquired equity and debt investments in 17 middle market businesses primarily in the United States. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of September 30, 2025, we had eleven investments structured as controlling equity interests in combination with debt positions and six investments structured as minority equity interests in combination with debt positions. All of our debt investments were current as of September 30, 2025.

We were formed as a Delaware limited liability company on August 9, 2016 and we operate and intend to continue to operate our business in a manner that will permit us to avoid registration under the Investment Company Act. We are not a "blank check" company within the meaning of Rule 419 of the Securities Act. We commenced operations on February 7, 2018.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced our Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Follow-On Registration Statement upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement filed with the SEC. Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated.

Through the Second Follow-On Public Offering, we are offering, in any combination, four classes of the Non-founder shares. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan).

Through September 30, 2025, we had received net proceeds from the Public Offerings of approximately $1.1 billion, including approximately $62.4 million received through our distribution reinvestment plan. As of September 30, 2025, the public offering price was $40.96 per Class A share, $39.23 per Class T share, $37.19 per Class D share and $37.98 per Class I share. See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" to the "Financial Statements" included in this supplement for additional information regarding the Public Offerings.

Through September 30, 2025, we had incurred selling commissions and dealer manager fees of approximately $14.9 million from the sale of Class A shares and Class T shares in the Public Offerings. The Class D shares and Class I shares sold through September 30, 2025, were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for offering costs of approximately $13.3 million based on actual amounts raised through the Public Offerings through September 30, 2025. These offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement.

In October 2025, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of October 30, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective October 30, 2025:				
Public Offering Price, Per Share	$ 40.99	$ 39.33	$ 37.24	$ 37.96
Selling Commissions, Per Share	2.46	1.18	—	—
Dealer Manager Fees, Per Share	1.02	0.69	—	—

Since we commenced operations on February 7, 2018, we have raised total net offering proceeds (including amounts raised from our private offerings and Public Offerings) of approximately $1.3 billion, including approximately $62.4 million received through our distribution reinvestment plan as of September 30, 2025.

Portfolio and Investment Activity

As of September 30, 2025, we had invested in 17 portfolio companies, consisting of equity investments and debt investments. The table below presents our portfolio company investments (in millions):

		As of September 30, 2025						
		Equity Investments		Debt Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Senior Secured Debt	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis[2]
Lawn Doctor	2/7/2018	61 %	$ 27.6	Second Lien	16.0 %	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2026	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	9.0	Second Lien	15.0	12/19/2030	3.4	12.4
Resolution Economics	1/2/2020	8	7.6	Second Lien	15.0	12/30/2027	2.8	10.4
Blue Ridge	3/24/2020	16	8.1	Second Lien	15.0	12/28/2029	2.6	10.7
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Clarion	12/9/2021	95	70.3	First Lien	15.0	12/9/2028	22.5	92.8
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	6/30/2023	—	—	Secured	[3]	5/6/2029	24.4	24.4
TacMed	3/24/2023	95	76.7	Secured	16.0	3/24/2030	29.0	105.7
Sill	10/20/2023	93	90.6	Secured	14.0	10/20/2030	15.9	106.5
USAW	2/21/2024	5	8.6	Second Lien	16.0	8/20/2031	1.4	10.0
LBR	6/17/2024	8	75.0	PIK Note	12.0% PIK	5/17/2039	18.8	93.8
MAP	7/18/2024	58	61.5	First Lien	15.0	7/18/2031	15.0	76.5
IFPG	6/23/2025	91	90.5	Secured	15.0	6/23/2032	23.0	113.5
SDC	9/25/2025	3	6.8	Second Lien	16.0	1/24/2033	0.7	7.5
			$ 692.7				$ 319.6	$ 1,012.3

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of September 30, 2025, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Schedule of Investments and Note 3. “Investments” to the “Financial Statements” included in this supplement for additional information related to our investments, including fair values as of September 30, 2025.

(3) As of September 30, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at September 30, 2025 was 4.31%.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders. See our Form 10-K for the year ended December 31, 2024 for additional information regarding our portfolio companies and their related business activities.

Our Portfolio Companies

The below information regarding our portfolio companies contain a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other financial measures determined in accordance with GAAP. We use this non-GAAP financial measure to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our portfolio companies. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider this measure appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as a supplemental measure.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

As of September 30, 2025 and December 31, 2024, Lawn Doctor, Inc. ("Lawn Doctor") had total assets of approximately $99.4 million and $98.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 12,464	$ 11,410	$ 38,271	$ 34,635
Net income (GAAP)	$ 1,024	$ 955	$ 3,027	$ 2,470
Interest and debt related expenses	1,465	1,491	4,269	4,439
Depreciation and amortization	645	646	1,951	1,918
Income tax expense	323	377	1,101	1,023
Adjusted EBITDA (non-GAAP)	$ 3,457	$ 3,469	$ 10,348	$ 9,850
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,108*	*$ 2,100*	*$ 6,312*	*$ 5,963*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 61% of Lawn Doctor.

Polyform

As of September 30, 2025 and December 31, 2024, Polyform Products, Co. ("Polyform") had total assets of approximately $30.3 million and $31.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of Polyform for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 4,115	$ 4,594	$ 13,776	$ 13,138
Net loss (GAAP)	$ (134)	$ (73)	$ (392)	$ (513)
Interest and debt related expenses	736	736	2,184	2,182
Depreciation and amortization	468	466	1,404	1,395
Income tax benefit	(53)	(15)	(154)	(189)
Adjusted EBITDA (non-GAAP)	$ 1,017	$ 1,114	$ 3,042	$ 2,875
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 886*	*$ 971*	*$ 2,650*	*$ 2,505*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 87% of Polyform.

Roundtables

As of September 30, 2025 and December 31, 2024, Auriemma U.S. Roundtables ("Roundtables") had total assets of approximately $60.4 million and $59.5 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Roundtables for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 5,028	$ 4,523	$ 14,637	$ 13,162
Net income (GAAP)	$ 543	$ 362	$ 1,165	$ 364
Interest and debt related expenses	595	608	1,791	1,875
Depreciation and amortization	520	483	1,559	1,566
Income tax expense	168	109	356	110
Adjusted EBITDA (non-GAAP)	$ 1,826	$ 1,562	$ 4,871	$ 3,915
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,475*	*$ 1,261*	*$ 3,934*	*$ 3,162*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 81% of Roundtables.

HSH

As of September 30, 2025 and December 31, 2024, Healthcare Safety Holdings, LLC ("HSH") had total assets of approximately $40.2 million and $42.4 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of HSH for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 10,004	$ 8,646	$ 27,816	$ 25,744
Net income (GAAP)	$ 922	$ 394	$ 1,807	$ 1,574
Interest and debt related expenses	842	942	2,705	2,779
Depreciation and amortization	699	714	2,126	2,208
Income tax expense	315	153	602	568
Adjusted EBITDA (non-GAAP)	$ 2,778	$ 2,203	$ 7,240	$ 7,129
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,070*	*$ 1,641*	*$ 5,395*	*$ 5,312*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 75% of HSH.

ATA

As of September 30, 2025 and December 31, 2024, ATA Holding Company, LLC ("ATA") had total assets of approximately $84.5 million and $86.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of ATA for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 16,289	$ 14,174	$ 42,247	$ 38,998
Net income (loss) (GAAP)	$ 1,137	$ 51	$ (314)	$ (1,595)
Interest and debt related expenses	1,477	1,472	4,405	4,407
Depreciation and amortization	1,050	1,069	3,152	3,254
Adjusted EBITDA (non-GAAP)	$ 3,664	$ 2,592	$ 7,243	$ 6,066
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,748*	*$ 1,944*	*$ 5,432*	*$ 4,550*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 75% of ATA.

Douglas

On August 1, 2025, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. ("Douglas") to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full.

Clarion

As of September 30, 2025 and December 31, 2024, Clarion had total assets of approximately $97.3 million and $81.3 million, respectively. In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates and ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Clarion for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 8,499	$ 4,063	$ 23,777	$ 12,620
Net income (GAAP)	$ 1,204	$ 255	$ 2,502	$ 1,301
Interest and debt related expenses	800	834	2,419	2,511
Depreciation and amortization	527	256	1,257	769
Income tax expense	454	98	945	503
Adjusted EBITDA (non-GAAP)	$ 2,985	$ 1,443	$ 7,123	$ 5,084
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,829*	*$ 1,390*	*$ 6,760*	*$ 4,896*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 95% and 96%, respectively, of Clarion.

Vektek

As of September 30, 2025 and December 31, 2024, Vektek Holdings, LLC ("Vektek") had total assets of approximately $109.0 million and $110.1 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Vektek for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 8,764	$ 9,232	$ 26,283	$ 27,051
Net income (GAAP)	$ 467	$ 340	$ 1,180	$ 711
Interest and debt related expenses	1,514	1,590	4,499	4,709
Depreciation and amortization	912	898	2,735	2,728
Income tax expense	43	48	88	76
Adjusted EBITDA (non-GAAP)	$ 2,936	$ 2,876	$ 8,502	$ 8,224
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,458*	*$ 2,408*	*$ 7,118*	*$ 6,885*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 84% of Vektek.

TacMed

As of September 30, 2025 and December 31, 2024, Tacmed Holdings, LLC ("TacMed") had total assets of approximately $112.0 million and $111.3 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net (loss) income of TacMed for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 11,912	$ 14,100	$ 32,554	$ 31,997
Net (loss) income (GAAP)	$ (26)	$ 538	$ (1,326)	$ (3,027)
Interest and debt related expenses	1,191	1,183	3,535	3,529
Depreciation and amortization	1,345	1,315	4,000	4,105
Income tax expense (benefit)	126	130	(243)	(523)
Transaction related expenses[1]	—	—	—	26
Adjusted EBITDA (non-GAAP)	$ 2,636	$ 3,166	$ 5,966	$ 4,110
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[2]	*$ 2,514*	*$ 3,024*	*$ 5,690*	*$ 3,925*

FOOTNOTES:

(1) Initial buyer transaction costs paid by TacMed included in the purchase price. Transaction related expenses are non-recurring.

(2) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 95% of TacMed.

Sill

As of September 30, 2025 and December 31, 2024, Sill Holdings, LLC ("Sill") had total assets of approximately $118.1 million and $120.0 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of Sill for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenues	$ 8,031	$ 6,391	$ 29,876	$ 14,636
Net income (loss) (GAAP)	$ 484	$ (1,173)	$ 3,978	$ (1,917)
Interest and debt related expenses	572	621	1,743	1,759
Depreciation and amortization	881	821	2,631	1,922
Income tax (benefit) expense	(375)	1,718	327	1,038
Adjusted EBITDA (non-GAAP)	$ 1,562	$ 1,987	$ 8,679	$ 2,802
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[1]	*$ 1,457*	*$ 1,860*	*$ 8,097*	*$ 2,623*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 93% and 94%, respectively, of Sill.

MAP

As of September 30, 2025 and December 31, 2024, MAP had total assets of approximately $131.5 million and $122.7 million, respectively. We made our initial investment in MAP in July 2024. In January 2025, we made an additional equity investment in MAP of $4.0 million to purchase the equity interests of a minority shareholder of the portfolio company. In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, CA.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of MAP for the quarter and nine months ended September 30, 2025 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 12,370	$ 2,878	$ 31,293	$ 2,878
Net income (loss) (GAAP)	$ 1,000	$ (546)	$ (3,168)	$ (546)
Interest and debt related expenses	662	297	2,003	297
Depreciation and amortization	1,050	419	5,244	419
Income tax expense	18	1,412	19	1,412
Adjusted EBITDA (non-GAAP)	$ 2,730	$ 1,582	$ 4,098	$ 1,582
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,578*	*$ 797*	*$ 2,369*	*$ 797*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025 and 2024, we owned approximately 58% and 50%, respectively, of MAP.

IFPG

As of September 30, 2025 IFPG had total assets of approximately $128.6 million.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of IFPG for the quarter ended September 30, 2025 and for the period from June 23, 2025 to September 30, 2025 (in thousands):

	Quarter Ended September 30,	Nine Months Ended September 30,
	2025	2025[(1)]
Revenues	$ 5,925	$ 6,278
Net income (GAAP)	$ 106	$ 230
Interest and debt related expenses	960	1,044
Depreciation and amortization	1,181	1,181
Income tax expense	91	91
Adjusted EBITDA (non-GAAP)	$ 2,338	$ 2,546
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(2)]	*$ 2,132*	*$ 2,322*

FOOTNOTE:

(1) Results are for the period from June 23, 2025 (the date we acquired our investment in IFPG) to September 30, 2025.

(2) Amounts based on our ownership percentage as of the end of the periods presented. As of September 30, 2025, we owned approximately 91% of IFPG.

Other Portfolio Companies

As of September 30, 2025, we held minority equity and debt positions in six portfolio companies.

In April 2025, we made an additional investment in LBR of approximately $25.8 million to partially finance the merger of LBR and ALM. ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

In June 2025, we made an additional equity investment in Milton of approximately $2.3 million.

In September 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC, which owns a controlling equity interest in Shipley Do-Nuts. In July 2025, LLCP VII, an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents less than 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase. In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in

significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Additionally, to the extent we have available cash we may make investments in short-term U.S. Treasury bills. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by fluctuating interest rates, record inflationary pressures due to global supply chain issues, a rise in energy prices, and the impact of the recent public health crises, natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of September 30, 2025 and December 31, 2024, we had cash and cash equivalents of approximately $79.4 million and $146.3 million, respectively.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $102.5 million and $170.5 million in net proceeds during the nine months ended September 30, 2025 and 2024, respectively, from the Follow-On Public Offering and the Second Follow-On Public Offering, which excludes approximately $16.0 million and $13.1 million raised through our distribution reinvestment plan, respectively. As of September 30, 2025, we had approximately 807.4 million authorized common shares remaining for sale.

Investments. We received a return of capital from portfolio company investments of approximately $2.3 million and $2.4 million during the nine months ended September 30, 2025 and 2024, respectively.

Borrowings. We borrowed and repaid $30.0 million during the nine months ended September 30, 2025. We did not borrow any amounts during the nine months ended September 30, 2024. See Note 8. “Borrowings” to the “Financial Statements” included in this supplement for additional information regarding our 2024 Line of Credit.

Uses of Liquidity and Capital Resources

Investments. We used approximately $166.6 million and $122.7 million of cash to purchase portfolio company investments during the nine months ended September 30, 2025 and 2024, respectively.

Operating Activities. We generated operating cash flows (excluding amounts related to investment activity) of approximately $8.9 million and $16.9 million during the nine months ended September 30, 2025 and 2024, respectively.

Distributions. We paid distributions to our shareholders of approximately $15.7 million and $14.6 million (which excludes distributions reinvested of approximately $16.0 million and $13.1 million, respectively) during the nine months ended September 30, 2025 and 2024, respectively. See "Distributions Declared" below for additional information.

Share Repurchases. We paid approximately $48.9 million and $34.8 million during the nine months ended September 30, 2025 and 2024, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.1 million and $0.2 million in deferred financing costs during the nine months ended September 30, 2025 and 2024, respectively.

Reimbursement of Expense Support. During the nine months ended September 30, 2024, we reimbursed the Manager and Sub-Manager approximately $0.6 million for Expense Support received in previous years accrued as of December 31, 2023. Expense Support is received or Expense Support reimbursement is paid annually. No expense support was reimbursed to the Manager and Sub-Manager during the nine months ended September 30, 2025.

As of September 30, 2025, there is approximately less than $0.1 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the nine months ended September 30, 2025 and 2024 (nine record dates). The following table reflects the total distributions declared during the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Nine Months Ended September 30,					
	2025			2024		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested [2]	Distributions Declared[1][2]	Distributions Reinvested [2]	Cash Distributions Net of Distributions Reinvested [2]
First Quarter	$ 10,372	$ 5,175	$ 5,197	$ 8,807	$ 4,056	$ 4,751
Second Quarter	10,547	5,335	5,212	9,214	4,344	4,870
Third Quarter	10,813	5,519	5,294	9,676	4,693	4,983
	$ 31,732	$ 16,029	$ 15,703	$ 27,697	$ 13,093	$ 14,604

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 – September 30, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 – September 30, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Nine Months Ended September 30,			
	2025		2024	
	Amount	Percentage[1]	Amount	Percentage[1]
Net investment income before Expense Support (reimbursement)	$ 13,453	85.7 %	$ 17,618	120.6 %
Expense Support (reimbursement)	1,017	6.5	—	—
Net investment income	$ 14,470	92.2 %	$ 17,618	120.6 %
Net realized gains	1,432	9.1	—	—
Cash distributions declared, net of distributions reinvested[2]	$ 15,703	100.0 %	$ 14,604	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $16,029 and $13,093 of distributions reinvested pursuant to our distribution reinvestment plan during the nine months ended September 30, 2025 and 2024, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. Distributions on the Non-founder shares may be lower than distributions on Founder shares because we are required to pay higher management and total return incentive fees to the Manager and the Sub-Manager with respect to the Non-founder shares. Additionally, distributions on Class T and Class D shares are lower than distributions on Class FA, Class A, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to Class T and Class D shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" to the "Financial Statements" included in this supplement for additional disclosures regarding distributions.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Tennessee, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash

distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. Beginning with our repurchase date on June 30, 2025 and thereafter, a shareholder's repurchase request must be received by the repurchase agent on or before the date which is (60) days prior to the date the Shares are redeemed. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

Our board of directors has the right to amend or suspend the Share Repurchase Program to the extent it determines that it is in our best interest to do so, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes, upon 30 days' prior notice to our shareholders. Once the Share Repurchase Program is suspended, the Share Repurchase Program requires that we consider the recommencement of the plan at least quarterly. Continued suspension of the Share Repurchase Program would only be permitted under the plan if our board of directors determines that the continued suspension of the Share Repurchase Program is in our best interest and the best interest of our shareholders. Our board of directors must affirmatively authorize the recommencement of the plan before shareholder requests will be considered again. Our board of directors cannot terminate the Share Repurchase Program absent a liquidity event or where otherwise required by law. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. Moreover, the Share Repurchase Program will terminate, and we no longer will accept shares for repurchase, if and when our shares are listed on a national securities exchange, are included for quotation in a national securities market or, in the sole determination of our board of directors, a secondary trading market for the shares otherwise develops. All shares to be repurchased under the Share Repurchase Program must be (i) fully transferable and not be subject to any liens or other encumbrances and (ii) free from any restrictions on transfer. If we determine that a lien or other encumbrance or restriction exists against the shares requested to be repurchased, we will not repurchase any such shares.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places. We have had no unfulfilled share repurchase

requests ("Unfulfilled Repurchase Requests") under the Share Repurchase Program since inception.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the nine months ended September 30, 2025 and 2024, we received requests for the repurchase of approximately $46.2 million and $38.3 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following tables summarizes the shares repurchased during the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA shares	146	$ 5,891	$ 40.32
Class A shares	146	5,342	36.66
Class T shares	57	2,081	36.75
Class D shares	125	4,491	35.90
Class I shares	749	27,844	37.13
Class S shares	13	527	41.12
Nine Months Ended September 30, 2025	1,236	$ 46,176	$ 37.35
Class FA shares	139	$ 5,199	$ 37.19
Class A shares	114	3,890	34.01
Class T shares	134	4,505	33.86
Class D shares	61	2,051	33.70
Class I shares	627	21,675	34.53
Class S shares	27	1,003	38.03
Nine Months Ended September 30, 2024	1,102	$ 38,323	$ 34.77

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Through September 30, 2025, we had acquired equity and debt investments in 17 portfolio companies. As of September 30, 2025 and 2024, the fair value of our portfolio company investments totaled approximately $1.4 billion and $1.1 billion, respectively. See "Portfolio and Investment Activity" above for discussion of the general terms and characteristics of our investments, and for information regarding our portfolio companies.

The following table summarizes our operating results for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total investment income	$ 25,480	$ 19,678	$ 60,603	$ 51,753
Total operating expenses	(17,373)	(11,679)	(47,075)	(34,125)
Expense support (reimbursement), net	(2,875)	(353)	1,017	—
Net investment income before taxes	5,232	7,646	14,545	17,628
Income tax expense	(28)	(15)	(75)	(10)
Net investment income	**5,204**	**7,631**	**14,470**	**17,618**
Total net realized gain on investments	1,432	—	1,432	—
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	28,173	15,545	83,378	50,747
Net increase in net assets resulting from operations	**$ 34,809**	**$ 23,176**	**$ 99,280**	**$ 68,365**

Investment Income

Investment income consisted of the following for the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
From portfolio company investments:				
Interest income	$ 11,014	$ 10,333	$ 31,785	$ 30,221
PIK interest income	549	—	913	—
Dividend income	11,880	6,634	20,820	15,675
PIK dividend income	1,700	1,490	4,888	1,490
From U.S. Treasury bills and cash accounts				
Interest and dividend income	337	1,221	2,197	4,367
Total investment income	**$ 25,480**	**$ 19,678**	**$ 60,603**	**$ 51,753**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of September 30, 2025 and 2024. As of September 30, 2025 and 2024, our weighted average annual yield on our accruing debt investments was 13.9% and 14.2%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." Interest income from our debt investments was approximately $11.0 million and $10.3 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $31.8 million and $30.2 million during the nine months ended September 30, 2025 and 2024, respectively. The increase in interest income from portfolio company investments

during the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, is primarily attributable new debt investments made during July 2024, December 2024 and June 2025.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Dividend income was approximately $11.9 million and $6.6 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $20.8 million and $15.7 million during the nine months ended September 30, 2025 and 2024, respectively. During each of the nine months ended September 30, 2025 and 2024, we received dividend income from twelve of our portfolio companies.

PIK dividend income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as dividend income and added to the principal balance of the respective preferred equity. PIK dividend income was approximately $1.7 million and $1.5 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $4.9 million and $1.5 million for the nine months ended September 30, 2025 and 2024, respectively.

PIK interest income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as interest income and added to the principal balance of the respective PIK Note. PIK interest income was approximately $0.5 million and $0.9 million for the quarter and nine months ended September 30, 2025, respectively. No PIK interest income was recognized for the quarter and nine months ended September 30, 2024.

The decrease in interest income from cash and cash equivalents is a result of a modest decrease in the average investment yield and a decrease in the average investment balance driven by the net dollars raised in Public Offerings offset by higher deal volume during the second half of 2024 and the first half of 2025.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the quarter and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Total return incentive fees	$ 8,423	$ 5,174	$ 21,890	$ 14,932
Base management fees	6,420	4,802	17,490	13,028
Offering expenses	494	338	1,644	879
Professional services	873	851	2,361	2,435
Pursuit costs	220	(159)	911	843
Distribution and shareholder servicing fees	495	334	1,483	971
Custodian and accounting fees	143	127	439	394
Insurance expense	56	56	166	159
Director fees and expenses	49	52	152	159
General and administrative expenses	26	44	209	176
Interest expense	174	60	330	149
Total operating expenses	**17,373**	**11,679**	**47,075**	**34,125**
Expense support	2,875	353	(1,017)	—
Net expenses	**$ 20,248**	**$ 12,032**	**$ 46,058**	**$ 34,125**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses, interest expense and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services and interest expense).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis. We perform a final reconciliation of the total return incentive fee calculation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We recorded total return incentive fees of approximately $8.4 million and $5.2 million for the quarters ended September 30, 2025 and 2024, respectively and approximately $21.9 million and $14.9 million during the nine months ended September 30, 2025 and 2024, respectively. The increase in total return incentive fees during the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, is primarily due to an increase of $32.6 million in the net change in unrealized appreciation on investments, including foreign currency gain (loss) offset by a decrease of $3.0 million in net investment income, taken over a larger Average Adjusted Capital during the quarter and nine months ended September 30, 2025, as compared to the quarter and nine months ended September 30, 2024.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears.

We incurred base management fees of approximately $6.4 million and $4.8 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $17.5 million and $13.0 million during the nine months ended September 30, 2025 and 2024, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash) which were approximately $1.3 billion and $948.2 million during the nine months ended September 30, 2025 and 2024, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to our condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

We expensed offering expenses of approximately $0.5 million and $0.3 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $1.6 million and $0.9 million during the nine months ended September 30, 2025 and 2024, respectively. The increase is due to higher incurred offering expenses by the Manager during the quarter and nine months ended September 30, 2025.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $0.2 million and $(0.2) million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $0.9 million and $0.8 million during the nine months ended September 30, 2025 and 2024, respectively.

Distribution and Shareholder Servicing Fee

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $0.5 million and $0.3 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $1.5 million and $1.0 million during the nine months ended September 30, 2025 and 2024.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, interest expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $1.3 million and $1.2 million for the quarters ended September 30, 2025 and 2024, respectively, and approximately $3.7 million and $3.5 million during the nine months ended September 30, 2025 and 2024, respectively.

Expense Support (Reimbursement)

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense Support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the Conditional Reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, we have received cumulative Expense Support of approximately $5.1 million. During the quarter and nine months ended September 30, 2024, we reimbursed the Manager and Sub-Manager approximately $0.6 million for Expense Support received in previous years accrued as of December 31, 2023. Expense Support is received or Expense Support reimbursement is paid annually. No expense support was reimbursed to the Manager and Sub-Manager during the quarter and nine months ended September 30, 2025.

As of September 30, 2025, there is approximately less than $0.1 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. “Related Party Transactions” to the “Financial Statements” included in this supplement for additional information.

Additionally, the Company accrued expense support due from the Manager and Sub-Manager of approximately $1.0 million, related to Class I shares, during the nine months ended September 30, 2025. The Company did not accrue any expense support due from the Manager and Sub-Manager during the nine months ended September 30, 2024. Although the Company covered 100% of cash distributions from net investment income and realized gains, the increase in expense support accrued during the nine months ended September 30, 2025, as compared to September 30, 2024, is primarily attributable to the increase of certain Class I class specific expenses.

The actual amount of Expense Support or Expense Support Reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. “Related Party Transactions” to the “Financial Statements” included in this supplement for additional information.

Other Expenses and Changes in Net Assets

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded and private comparable companies as determined by our independent valuation firm.

During the quarter and nine months ended September 30, 2025, we recognized a net change in unrealized appreciation on our portfolio company investments of approximately $31.7 million and $91.9 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on eleven portfolio companies of approximately $106.4 million, offset partially by gross unrealized depreciation on four portfolio companies of approximately $11.0 million during the nine months ended September 30, 2025. Two portfolio company investments have remained flat due to the recency of their acquisitions. Gross unrealized appreciation was due to EBITDA growth, accretive add-on acquisitions, multiple expansion in certain of our portfolio companies and unrealized foreign currency gain. Gross unrealized depreciation was primarily driven by EBITDA declines and multiple compression. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $3.5 million and $8.5 million during the quarter and nine months ended September 30, 2025, respectively.

During the quarter and nine months ended September 30, 2024, we recognized a net change in unrealized appreciation on portfolio company investments of approximately $16.8 million and $53.3 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on eleven portfolio companies of approximately $64.3 million, offset partially by gross unrealized depreciation on four portfolio companies of approximately $11.0 million during the nine months ended September 30, 2024. One portfolio company investment has remained flat. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions. Gross unrealized depreciation was primarily driven by EBITDA declines. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $1.3 and $2.6 million during the quarter and nine months ended September 30, 2024, respectively.

Net Assets

During the quarter and nine months ended September 30, 2025 and 2024, the net increase in net assets consisted of the following (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Operations	$ 34,809	$ 23,176	$ 99,280	$ 68,365
Distributions to shareholders	(10,813)	(9,676)	(31,732)	(27,697)
Capital transactions	27,199	54,111	72,331	143,903
Net increase in net assets	$ 51,195	$ 67,611	$ 139,879	$ 184,571

Operations increased by approximately $11.6 million and $30.9 million, during the quarter and nine months ended September 30, 2025, respectively, as compared to the quarter and nine months ended September 30, 2024. The increase in operations for the quarter and nine months ended September 30, 2025, as compared to the quarter and nine months ended September 30, 2024, is primarily due to an increase in the net change in unrealized appreciation on investments of approximately $14.1 million and $34.1 million, respectively, and offset by a decrease in net investment income of approximately $2.4 million and $3.1 million, respectively.

Distributions increased approximately $1.1 million and $4.0 million, during the quarter and nine months ended September 30, 2025, respectively, as compared to the quarter and nine months ended September 30, 2024, primarily as a result of an increase in shares outstanding.

Capital transactions decreased by approximately $26.9 million and $71.6 million, during the quarter and nine months ended September 30, 2025, respectively, as compared to the quarter and nine months ended September 30, 2024. The decrease in capital transactions for the quarter and nine months ended September 30, 2025, as compared to the quarter and nine months ended September 30, 2024, is primarily due to a decrease in net proceeds received through the Public Offerings (including proceeds received through our distribution reinvestment plan) of approximately $22.3 million and $63.7 million, respectively, and an increase in share repurchases of approximately $4.7 million and $7.9 million, respectively.

Total Returns

The following table illustrates year-to-date return ("YTD Return"), trailing 12 months return ("1-Year Return"), trailing 36 months return ("3-year Return"), trailing 60 months return ("5-Year Return") and Annualized Return Since Inception, and cumulative total returns through September 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Total Return Period
Class FA (no sales load)	8.6 %	12.6 %	35.0 %	72.7 %	11.1 %	123.1 %	Feb. 7, 2018 - Sep. 30, 2025
Class FA (with sales load)	1.5 %	5.3 %	26.3 %	61.4 %	10.1 %	108.6 %	Feb. 7, 2018 - Sep. 30, 2025
Class A (no sales load)	7.9 %	11.7 %	31.2 %	62.9 %	10.0 %	104.4 %	Apr. 10, 2018 - Sep. 30, 2025
Class A (with sales load)	(1.3)%	2.2 %	20.0 %	49.0 %	8.7 %	87.0 %	Apr. 10, 2018 - Sep. 30, 2025
Class I	7.8 %	11.4 %	30.8 %	62.8 %	10.1 %	106.0 %	Apr. 10, 2018 - Sep. 30, 2025
Class T (no sales load)	7.1 %	10.6 %	28.1 %	56.7 %	9.1 %	89.7 %	May 25, 2018 - Sep. 30, 2025
Class T (with sales load)	2.0 %	5.3 %	22.0 %	49.3 %	8.4 %	80.7 %	May 25, 2018 - Sep. 30, 2025
Class D	7.6 %	11.3 %	30.3 %	61.7 %	9.5 %	93.5 %	June 26, 2018 - Sep. 30, 2025
Class S (no sales load)	8.6 %	12.6 %	35.5 %	74.6 %	12.2 %	88.4 %	Mar. 31, 2020 - Sep. 30, 2025
Class S (with sales load)	4.8 %	8.7 %	30.8 %	68.5 %	11.5 %	81.8 %	Mar. 31, 2020 - Sep. 30, 2025

FOOTNOTES:

(1) For the period from January 1, 2025 to September 30, 2025.

(2) For the period from October 1, 2024 to September 30, 2025.

(3) For the period from October 1, 2022 to September 30, 2025.

(4) For the period from October 1, 2020 to September 30, 2025.

(5) For the period from the date the first share was issued for each respective share class through September 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in Item 1A in Part I of our Form 10-K for the year ended December 31, 2024 and this Quarterly Report, including the negative impacts from recent geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3 investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Hedging Activities

As of September 30, 2025, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event

we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

See our Form 10-K for the year ended December 31, 2024 and Note 2. “Significant Accounting Policies” of Part I of our Quarterly Report for a summary of our critical accounting policies.

Our Portfolio

The following disclosure supersedes and replaces the sections "Our Portfolio— Lawn Doctor," "Our Portfolio— Polyform," "Our Portfolio— Auriemma U.S. Roundtables," "Our Portfolio— Milton Industries," "Our Portfolio— Resolution Economics," "Our Portfolio— Blue Ridge ESOP Associates," "Our Portfolio— Healthcare Safety Holdings LLC," "Our Portfolio— ATA Title Company," "Our Portfolio—Douglas Machine Corp.," "Our Portfolio —Clarion Safety Systems," "Our Portfolio—Vektek Holdings," "Our Portfolio—TacMed Solutions," "Our Portfolio—Sill Public Adjusters," "Our Portfolio—USA Water," "Our Portfolio—Law Business Research," "Our Portfolio—MAP Retirement," "Our Portfolio—International Franchise Professionals Group," and "Our Portfolio—Shipley Do-Nuts," respectively, which first appear on page 97 of the Prospectus.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions" and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 46 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operates a nationwide network of over 900 independently owned franchise units across the country as of September 30, 2025. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended September 30, 2025 was approximately $48.9 million. From the year ended December 31, 2009 to the trailing twelve months ended September 30, 2025, Lawn Doctor's total revenue has grown at compound annual growth rate of approximately 10.7%. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended September 30, 2025 was approximately $241 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc., a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports multiple franchised locations, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States under the Sparkle Squad brand.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment

consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions," we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 40 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. Polyform estimates that its products are available in thousands of retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net revenue for Polyform for the trailing twelve months ended September 30, 2025 was approximately $19.6 million. Net revenue for Polyform has grown at a compound annual growth rate of approximately 3.5% from the year ended December 31, 2009 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in December 2028. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, wealth management, fintech, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, NY, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions support a sustainable revenue model. From 2019 to December 31, 2024, membership has experienced strong and steady growth over the last 5 years at a compound annual growth rate of approximately 9.4%. The total revenue for Roundtables for the trailing twelve months ended September 30, 2025 was approximately $19.4 million. Of the total revenue for Roundtables, the vast majority represented membership fees. From the year ended December 31, 2005 to the trailing twelve months ended September 30, 2025, Roundtables' total revenue has grown at a compound annual growth rate of approximately 13.8%.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
- In August 2023, Roundtables acquired insideARM, LLC. Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, IL. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 6,000 active customers and 3,000 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended September 30, 2025, of approximately $104.9 million. Milton's net revenue has grown at a compound annual growth rate of approximately 8.9% from the year ended December 31, 2010 to the trailing twelve months ended September 30, 2025. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing. Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics, a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.
- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended September 30, 2025, of approximately $100.8 million. ResEcon's total revenue has grown at a compound annual growth rate of 14.4% from the year ended December 31, 2007 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. Founded in 1983 and headquartered in Columbia, MD, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, CA. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 16% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended September 30, 2025 was approximately $75.2 million. From the year ended December 31, 2005 to the trailing twelve months ended September 30, 2025, Blue Ridge's total revenue has grown at a compound annual growth rate of approximately 19.0% and grew each year through the financial crisis. Blue Ridge provides services for 1,600 ESOP plans with approximately 570,000 plan participants and over 8,000 401(k), defined benefit, and other type plans with approximately 300,000 plan participants. From 2016 through December 31, 2024, approximately 75% of Blue Ridge's clients were obtained through key channel partner referrals.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.

- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.
- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.
- In March 2025, Blue Ridge acquired Qualified Retirement Plan Services ("QRPS"). Founded in 1988 and headquartered in Raleigh, NC, QRPS is an independent third-party administrator of qualified retirement plans. The addition of QRPS further expands the Blue Ridge service offering, resource capacity, technical expertise, and geographical coverage, specifically in their 401(k) & Pension business line of services.

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, MN, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended September 30, 2025 was approximately $37.1 million. From the year ended December 31, 2005 to the trailing twelve months ended September 30, 2025, HSH's net revenue has grown at a compound annual growth rate of approximately 10.3%.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, MI, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers.

Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended September 30, 2025 was approximately $55.3 million. From the year ended December 31, 2011 to the trailing twelve months ended September 30, 2025, ATA's total revenue has grown at a compound annual growth rate of approximately 2.2%.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). We owned approximately 96% of the outstanding equity in Clarion as of September 30, 2025. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, Pennsylvania, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended September 30, 2025 was approximately $33.2 million. Revenue for Clarion has grown at an approximately 12.2% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, Wisconsin, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, Missouri, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended September 30, 2025 was approximately $35.0 million. Vektek's revenue has grown at an approximately 3.7% compound annual growth rate from the year ended December 31, 2006 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, South Carolina, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas

for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended September 30, 2025 was approximately $51.2 million. TacMed Solutions' revenue has grown at an approximately 8.7% compound annual growth rate from the year ended December 31, 2014 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us. As of September 30, 2025, we owned approximately 94% of Sill.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total revenue for the trailing twelve months ended as of September 30, 2025 was approximately $38.8 million. Sill's revenue has grown at an approximately 14.8% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended September 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, MA, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.
- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company. Founded in 1920 and headquartered in Blue Bell, Pennsylvania, Young is a public adjusting firm serving the Philadelphia market.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents

approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended September 30, 2025, was approximately $141.9 million. From the year ended December 31, 2014 to the trailing twelve months ended September 30, 2025, USA Water achieved a compound annual growth rate in revenue of approximately 20.0%. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. Headquartered in Austin, Texas, AWR Services provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.
- In February 2025, USA Water acquired Cenla Environmental Science. Founded in 1994 and headquartered in Alexandria, Louisiana, Cenla is a provider of water and wastewater laboratory testing, operations, and maintenance services for municipal and commercial customers.
- In May 2025, USA Water acquired Florida Utility Solutions ("FUS"). Headquartered in Naples, Florida, FUS is a provider of operations, maintenance, and repair services for water and wastewater treatment plants throughout the state of Florida.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR. As of September 30, 2025, we owned approximately 7% of LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. LBR has achieved a historical compound annual growth rate in revenue of approximately 17% through growth of new products, new customers, price increases and cross-selling over the period from December 31, 2020 through to December 31, 2023, on a pro forma basis inclusive of add-on acquisitions. The total revenue for LBR for the trailing twelve months ended September 30, 2025, was approximately £160.6 million. From the year ended December 31, 2012 to the trailing twelve months ended September 30, 2025, LBR achieved a compound annual growth rate in revenue of

approximately 22.2%. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its new partnership with ICG.

- In April 2025, we made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management. As of September 30, 2025, we owned approximately 58% of MAP.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance, fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. MAP Retirement's total revenue for the trailing twelve months ended September 30, 2025 was approximately $43.1 million. From the year ended December 31, 2022 to the trailing twelve months ended September 30, 2025, MAP Retirement achieved a compound annual growth rate in revenue of approximately 59.0%. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion. We believe that MAP is a provider of resilient, non-discretionary services to a large industry.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement's acquisition of Qualified Plan Consultants ("QPC"). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement's presence in Iowa and the Midwest.
- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement's acquisition of AimPoint Pension ("AimPoint"). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement's Southeast presence.
- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement's acquisition of Pension Plan Specialists ("PPS"). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.
- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.
- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.

- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. ("Blue Chip"), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. In connection with the acquisition of IFPG, the Company borrowed approximately $30 million under its revolving Line of Credit. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands, and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, NJ and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. Over the period from December 31, 2022, through September 30, 2025, IFPG has achieved a compound annual growth rate in revenue of approximately 24.2% primarily driven by consistent revenue growth with its recurring membership base, securing new customers and expansion of service offerings. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

Shipley Do-Nuts

Overview. On September 25, 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC, which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC Holdco LLC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents less than 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Company Overview. Headquartered in Houston, Texas, Shipley Do-Nuts is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its nearly 90-year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

Investment Highlights. We believe Shipley Do-Nuts has delivered robust historical growth across both same-store sales and unit count and continues to build upon a strong reputation for high quality products and customer service that it established over its nearly 90-year operating history. We believe Shipley Do-Nuts operates in the attractive donut market and has strong brand awareness. We believe Shipley Do-Nuts is highly franchised and has an established franchise network. Lastly, we believe Shipley Do-Nuts has an attractive financial profile driven by its largely recurring revenue base and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for Shipley Do-Nuts: (i) continued track record of positive same-store sales growth, (ii) continue to open new units, and (iii) investment in marketing and other areas.

Financial Statements

The Prospectus is hereby supplemented with the following financial information, which is excerpted from Part I—Item 1. "Financial Statements" in our Quarterly Report on Form 10-Q for the quarterly period ended on September 30, 2025.

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CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	September 30, 2025 (Unaudited)	December 31, 2024
Assets		
Investments at fair value:		
Portfolio company investments (amortized cost of $1,012,284 and $892,940, respectively)	$ 1,352,090	$ 1,140,859
Cash and cash equivalents	79,403	146,319
Receivable for shares sold	—	—
Prepaid expenses and other assets	227	472
Total assets	1,431,720	1,287,650
Liabilities		
Due to related parties, net (Note 5)	23,869	26,386
Payable for shares repurchased	16,450	19,169
Deferred tax liabilities, net	18,354	9,844
Accounts payable and other accrued expenses	1,960	1,043
Total liabilities	60,633	56,442
Commitments and contingencies (Note 11)		
Members' Equity (Net Assets)		
Preferred shares, $0.001 par value, 50,000 shares authorized and unissued	—	—
Class FA Common shares, $0.001 par value, 7,400 shares authorized; 4,844 shares issued; 3,871 and 4,017 shares outstanding, respectively	4	4
Class A Common shares, $0.001 par value, 94,660 shares authorized; 9,354 and 8,549 shares issued, respectively; 8,897 and 8,238 shares outstanding, respectively	9	8
Class T Common shares, $0.001 par value, 558,620 shares authorized; 4,010 and 3,582 shares issued, respectively; 2,244 and 2,511 shares outstanding, respectively	2	3
Class D Common shares, $0.001 par value, 94,660 shares authorized; 3,382 and 3,275 shares issued, respectively; 3,054 and 3,072 shares outstanding, respectively	3	3
Class I Common shares, $0.001 par value, 94,660 shares authorized; 18,455 and 15,936 shares issued, respectively; 15,924 and 14,154 shares outstanding, respectively	16	14
Class S Common shares, $0.001 par value, 100,000 shares authorized; 1,770 shares issued; 1,699 and 1,712 shares outstanding, respectively	2	2
Capital in excess of par value	1,103,855	1,031,526
Distributable earnings	267,196	199,648
Total Members' Equity	$ 1,371,087	$ 1,231,208
Net asset value per share:		
Class FA	$ 42.05	$ 39.55
Class A	$ 37.51	$ 35.68
Class T	$ 37.46	$ 35.72
Class D	$ 37.24	$ 35.42
Class I	$ 37.96	$ 36.12
Class S	$ 42.55	$ 40.09

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Investment income				
From portfolio company investments:				
Interest income	$ 11,014	$ 10,333	$ 31,785	$ 30,221
Payment-in-kind ("PIK") interest income	549	—	913	—
Dividend income	11,880	6,634	20,820	15,675
PIK dividend income	1,700	1,490	4,888	1,490
From U.S. Treasury bills and cash accounts				
Interest and dividend income	337	1,221	2,197	4,367
Total investment income	25,480	19,678	60,603	51,753
Operating expenses				
Total return incentive fees	8,423	5,174	21,890	14,932
Base management fees	6,420	4,802	17,490	13,028
Offering expenses	494	338	1,644	879
Professional services	873	851	2,361	2,435
Pursuit costs	220	(159)	911	843
Distribution and shareholder servicing fees	495	334	1,483	971
Custodian and accounting fees	143	127	439	394
Insurance expense	56	56	166	159
Director fees and expenses	49	52	152	159
General and administrative expenses	26	44	209	176
Interest expense	174	60	330	149
Total operating expenses	17,373	11,679	47,075	34,125
Expense support	2,875	353	(1,017)	—
Net operating expenses	20,248	12,032	46,058	34,125
Net investment income before taxes	5,232	7,646	14,545	17,628
Income tax expense	(28)	(15)	(75)	(10)
Net investment income	5,204	7,631	14,470	17,618
Realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain on investments:				
Portfolio company investments	1,432	—	1,432	—
Total net realized gain on investments	1,432	—	1,432	—
Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss):				
Portfolio company investments	31,670	16,845	91,888	53,314
Provision for deferred taxes on investments	(3,497)	(1,300)	(8,510)	(2,567)
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	28,173	15,545	83,378	50,747
Net gain on investments	29,605	15,545	84,810	50,747
Net increase in net assets resulting from operations	$ 34,809	$ 23,176	$ 99,280	$ 68,365

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net increase in net assets resulting from operations per share				
Class FA	$ 1.27	$ 0.88	$ 3.44	$ 2.68
Class A	$ 0.96	$ 0.74	$ 2.77	$ 2.15
Class T	$ 0.92	$ 0.64	$ 2.49	$ 1.94
Class D	$ 0.94	$ 0.66	$ 2.66	$ 2.06
Class I	$ 0.92	$ 0.69	$ 2.78	$ 2.14
Class S	$ 1.19	$ 0.87	$ 3.40	$ 2.65
Weighted average shares				
Class FA	3,901	4,069	3,946	4,118
Class A	8,877	6,897	8,548	6,130
Class T	2,198	2,562	2,385	2,590
Class D	3,045	2,999	3,054	2,822
Class I	15,637	13,544	15,008	12,974
Class S	1,702	1,728	1,707	1,741

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2025
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of June 30, 2025	34,959	$ 36	$ 1,076,656	$ 243,200	$ 1,319,892
Net investment income	—	—	—	5,204	5,204
Net realized gain on investments	—	—	—	1,432	1,432
Net change in unrealized appreciation on investments	—	—	—	28,173	28,173
Distributions to shareholders	—	—	—	(10,813)	(10,813)
Issuance of common shares through the Public Offerings	1,013	1	38,098	—	38,099
Issuance of common shares through distribution reinvestment plan	147	—	5,519	—	5,519
Repurchase of common shares pursuant to share repurchase program	(430)	(1)	(16,418)	—	(16,419)
Balance as of September 30, 2025	35,689	$ 36	$ 1,103,855	$ 267,196	$ 1,371,087

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2024	33,704	$ 34	$ 1,031,526	$ 199,648	$ 1,231,208
Net investment income	—	—	—	14,470	14,470
Net realized gain on investments	—	—	—	1,432	1,432
Net change in unrealized appreciation on investments	—	—	—	83,378	83,378
Distributions to shareholders	—	—	—	(31,732)	(31,732)
Issuance of common shares through the Public Offerings	2,784	3	102,475	—	102,478
Issuance of common shares through distribution reinvestment plan	437	—	16,029	—	16,029
Repurchase of common shares pursuant to share repurchase program	(1,236)	(1)	(46,175)	—	(46,176)
Balance as of September 30, 2025	35,689	$ 36	$ 1,103,855	$ 267,196	$ 1,371,087

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2024
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of June 30, 2024	31,093	$ 31	$ 941,319	$ 154,959	$ 1,096,309
Net investment income	—	—	—	7,631	7,631
Net change in unrealized appreciation on investments	—	—	—	15,545	15,545
Distributions to shareholders	—	—	—	(9,676)	(9,676)
Issuance of common shares through the Public Offerings	1,770	2	61,183	—	61,185
Issuance of common shares through distribution reinvestment plan	136	—	4,693	—	4,693
Repurchase of common shares pursuant to share repurchase program	(335)	—	(11,767)	—	(11,767)
Balance as of September 30, 2024	32,664	$ 33	$ 995,428	$ 168,459	$ 1,163,920

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2023	28,435	$ 29	$ 851,529	$ 127,791	$ 979,349
Net investment income	—	—	—	17,618	17,618
Net change in unrealized appreciation on investments	—	—	—	50,747	50,747
Distributions to shareholders	—	—	—	(27,697)	(27,697)
Issuance of common shares through the Public Offerings	4,948	5	169,128	—	169,133
Issuance of common shares through distribution reinvestment plan	383	—	13,093	—	13,093
Repurchase of common shares pursuant to share repurchase program	(1,102)	(1)	(38,322)	—	(38,323)
Balance as of September 30, 2024	32,664	$ 33	$ 995,428	$ 168,459	$ 1,163,920

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Operating Activities:		
Net increase in net assets resulting from operations	$ 99,280	$ 68,365
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio company investments	(166,572)	(122,719)
Proceeds from portfolio company investments	52,120	—
Proceeds from return of capital on portfolio company investments	2,342	2,445
Net realized gain on portfolio company investments	(1,432)	—
Net change in unrealized appreciation on investments and foreign currency transactions, excluding deferred taxes	(91,888)	(53,314)
PIK interest	(913)	—
PIK dividends	(4,888)	(1,490)
(Decrease) increase in due to related parties	(2,517)	984
Increase (decrease) in accounts payable and other accrued expenses	917	(265)
Increase in deferred tax liabilities, net	8,510	2,567
Increase (decrease) in prepaid expenses and other assets	272	(64)
Other operating activities	107	102
Net cash used in operating activities	(104,662)	(103,389)
Financing Activities:		
Proceeds from issuance of common shares	102,478	170,544
Payment on repurchases of common shares	(48,895)	(34,780)
Proceeds from line of credit	30,000	—
Repayment of line of credit	(30,000)	—
Distributions paid, net of distributions reinvested	(15,703)	(14,604)
Deferred financing costs	(134)	(163)
Net cash provided by financing activities	37,746	120,997
Net (decrease) increase in cash and cash equivalents	(66,916)	17,608
Cash and cash equivalents, beginning of period	146,319	134,453
Cash and cash equivalents, end of period	$ 79,403	$ 152,061
Supplemental disclosure of cash flow information and non-cash financing activities:		
Distributions reinvested	$ 16,029	$ 13,093
Cash interest paid during the period	$ 169	$ —
Amounts incurred but not paid (including amounts due to related parties):		
Offering costs	$ 212	$ 121
Payable for shares repurchased	$ 16,450	$ 11,767

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF SEPTEMBER 30, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 4.8%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc.	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Notes – First Lien					66,990	66,990
Senior Secured Note –12.5%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
IFPG TopCo, LLC[10]	Franchise Consulting Services	15.0%	6/23/2032	23,000	23,000	23,000
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2026	15,700	15,700	15,700
Sill Holdings, LLC[5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,438	24,438	24,438
Total Senior Secured Note					171,389	171,389
Senior Secured Notes – Second Lien – 4.6%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Lawn Doctor, Inc.	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc.	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
SDC Holdco LLC	Restaurant and Food	16.0%	1/24/2033	684	684	684
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes – Second Lien					62,402	62,402

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF SEPTEMBER 30, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured PIK Notes - 1.4%						
LOCI Topco Limited[6][7]	Legal Services	12.0% PIK[9]	5/17/2039	8,959	$ 9,415	$ 9,506
LOCI Topco Limited[6][8]	Legal Services	12.0% PIK[9]	5/17/2039	8,959	9,415	9,506
Total Senior Secured PIK Notes					18,830	19,012
Total Senior Secured Notes					**$ 319,611**	**$ 319,793**
Preferred Equity - 5.7%						
LOCI Topco Limited[6]	Legal Services	8.5% PIK[9]		46,597,751	$ 66,557	$ 70,081
LOCI Topco Limited[6]	Legal Services	12.0% PIK[9]		5,905,775	8,255	8,335
Total Preferred Equity					74,812	78,416
Common Equity – 69.6%						
ATA Holding Company, LLC[10]	Real Estate Services			37,985	$ 37,125	$ 36,205
Auriemma U.S. Roundtables[10]	Information Services and Advisory Solutions			33,094	33,476	69,225
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	8,072	39,878
Clarion Safety Systems, LLC[10]	Visual Safety Solutions			68,891	70,316	103,870
Healthcare Safety Holdings, LLC[10]	Healthcare Supplies			17,320	17,320	43,736
IFPG TopCo, LLC[10]	Franchise Consulting Services			90,500	90,500	90,500
LOCI Topco Limited[6]	Legal Services			104,624	134	4,544
Lawn Doctor, Inc.[10]	Commercial and Professional Services			7,746	27,610	97,710
Madison Retirement Holdings TopCo, LLC[10]	Retirement Plan Services			61,500	61,500	81,894
Milton Industries Inc.	Engineered Products			7,395	8,903	19,738
Polyform Products, Co.[10]	Hobby Goods and Supplies			10,820	15,599	10,810
Resolution Economics, LLC	Legal Services			7,666	7,645	24,360
SDC Holdco LLC	Restaurant and Food			6,816	6,816	6,816
Sill Holdings, LLC[10]	Insurance Services			82,754	90,549	145,758
Tacmed Holdings, LLC[10]	Healthcare Supplies			77,000	76,744	99,459
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	12,619

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF SEPTEMBER 30, 2025
(in thousands except share data)

Company [(1)(2)(3)]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Vektek Holdings, LLC[(10)]	Engineered Products			56,928	56,928	66,759
Total Common Equity					617,861	953,881
Total Equity					**$ 692,673**	**$ 1,032,297**
TOTAL INVESTMENTS – 98.6%					**$ 1,012,284**	**$ 1,352,090**
OTHER ASSETS IN EXCESS OF LIABILITIES – 1.4%						18,997
NET ASSETS – 100.0%						$ 1,371,087

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.

(2) Percentages represent fair value as a percentage of net assets for each investment category.

(3) All investments are US based unless otherwise noted.

(4) As of September 30, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at September 30, 2025 was 4.31%.

(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances, the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.4% of net assets based on fair value as of September 30, 2025.

(7) Represents Tranche A2 PIK Notes, which rank third after the Tranche A1 PIK Notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).

(8) Represents Tranche B2 PIK Notes, which rank fourth after the Tranche A1 PIK Notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).

(9) PIK interest and dividend income is computed at the contractual rate in each applicable agreement and is accrued and recorded as interest income and dividend income, respectively, and capitalized to the principal balance.

(10) As of September 30, 2025, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 5.4%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Note - First Lien					66,990	66,990
Senior Secured Note –12.1%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2026	15,700	15,700	15,700
Sill Holdings, LLC [5]	Business Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,625	24,625	24,625
Total Senior Secured Note					148,576	148,576
Senior Secured Note – Second Lien – 6.2%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Douglas Machines Corp.	Sanitation Products	16.0%	10/7/2028	15,000	15,000	15,000
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Business Services	15.0%	12/30/2027	2,834	2,834	2,834
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Note - Second Lien					76,718	76,718
Total Senior Secured Notes					**$ 292,284**	**$ 292,284**
Preferred Equity – 5.0%						

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
LOCI Topco Limited [6]	Information Services and Advisory Solutions	8.5% PIK[7]		46,597,751	$ 62,070	$ 61,155
Total Preferred Equity					62,070	61,155
Common Equity – 64.0%						
ATA Holding Company, LLC [8]	Real Estate Services			37,985	$ 37,125	$ 35,291
Auriemma U.S. Roundtables [8]	Information Services and Advisory Solutions			33,094	33,476	62,511
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	10,200	36,896
Clarion Safety Systems, LLC [8]	Visual Safety Solutions			57,368	56,816	67,213
Douglas Machines Corp. [8]	Sanitation Products			35,500	35,500	39,057
Healthcare Safety Holdings, LLC [8]	Healthcare Supplies			17,320	17,320	47,726
LOCI Topco Limited [6]	Information Services and Advisory Solutions			73,215	93	1,618
Lawn Doctor, Inc [8]	Commercial and Professional Services			7,746	27,610	91,742
Madison Retirement Holdings TopCo, LLC[8]	Retirement Plan Services			57,500	57,500	60,463
Milton Industries, Inc	Engineered Products			6,647	6,647	18,849
Polyform Products, Co. [8]	Hobby Goods and Supplies			10,820	15,599	12,751
Resolution Economics, LLC	Business Services			7,666	7,855	20,400
Sill Holdings, LLC [8]	Business Services			82,754	90,549	119,736
Tacmed Holdings, LLC [8]	Healthcare Supplies			77,000	76,744	92,378
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	10,370
Vektek Holdings, LLC [8]	Engineered Products			56,928	56,928	70,419
Total Common Equity					538,586	787,420
Total Equity					$ 600,656	$ 848,575
Total Investments – 92.7%					$ 892,940	$ 1,140,859
OTHER ASSETS IN EXCESS OF LIABILITIES–7.3%						90,349
NET ASSETS–100.0%						$ 1,231,208

See notes to condensed consolidated financial statements.

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.

(2) Percentages represent fair value as a percentage of net assets for each investment category.

(3) All investments are US based unless otherwise noted.

(4) As of December 31, 2024, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60% and SOFR + 4.35%, respectively. SOFR at December 31, 2024 was 4.53%.

(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances, the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 5.10% of net assets based on fair value as of December 31, 2024.

(7) PIK dividend income is computed at the contractual rate in each applicable agreement and is accrued and recorded as dividend income and capitalized to the principal balance.

(8) As of December 31, 2024, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

1. Principal Business and Organization

CNL Strategic Capital, LLC (the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. The Company is externally managed by CNL Strategic Capital Management, LLC (the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"). The Manager is responsible for the overall management of the Company's activities and the Sub-Manager is responsible for the day-to-day management of the Company's assets. The Manager and the Sub-Manager are each registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisors Act"). The Company conducts and intends to continue its operations so that the Company and each of its subsidiaries do not fall within, or are excluded from, the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company intends to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. The Company's business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. The Company seeks to structure its investments with limited, if any, third-party senior leverage.

The Company intends for a significant majority of its total assets to be comprised of long-term controlling equity interests and debt positions in the businesses it acquires. In addition, and to a lesser extent, the Company may acquire other debt and minority equity positions. The Company intends to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. The Company may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. The Company expects that these positions will comprise a minority of its total assets.

The Company commenced its initial public offering of up to $1.1 billion of its limited liability company interests ("shares") on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, the Company commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Follow-On Registration Statement"). On November 1, 2024, the Company commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering," and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through its distribution reinvestment plan pursuant to a registration statement on Form S-1 (the "Second Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"), and terminated the Follow-On Public Offering.

Through the Second Follow-On Public Offering, the Company is offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, the "Non-founder shares"). There are differing selling fees and commissions and dealer manager fees for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Second Follow-On Public Offering (excluding sales pursuant to its distribution reinvestment plan). See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" included in this supplement for additional information related to the Public Offerings.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Financial Accounting Standards Board Accounting Standards Codification ("ASC"), which requires the use of estimates, assumptions and the exercise of subjective judgment as to future uncertainties. In the opinion of management, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and necessary for the fair presentation of financial results as of and for the periods presented.

Although the Company is organized and intends to conduct its business in a manner so that it is not required to register as an investment company under the Investment Company Act, its financial statements are prepared using the specialized accounting principles of ASC Topic 946, "Financial Services—Investment Companies" ("ASC Topic 946") to utilize investment company accounting. The Company obtains funds through the issuance of equity interests to multiple unrelated investors, and provides such investors with investment management services. Further, the Company's business strategy is to acquire interests in middle-market U.S. businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, the Company believes that the use of investment company accounting on a fair value basis is consistent with the management of its assets on a fair value basis, and makes the Company's financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in the Company as compared to other investment products in the marketplace.

Principles of Consolidation

Under ASC Topic 946 the Company is precluded from consolidating any entity other than an investment company or an operating company which provides substantially all of its services to benefit the Company. In accordance therewith, the Company has consolidated the results of its wholly owned subsidiaries that are investment companies in its condensed consolidated financial statements. However, the Company has not consolidated the results of its subsidiaries in which the Company holds debt and equity investments. All intercompany account balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds at commercial banks. Demand deposits are carried at cost plus accrued interest, which approximates fair value. The Company deposits its cash with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Use of Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. The uncertainty of future events may materially impact the accuracy of the estimates and assumptions used in the financial statements and related footnotes and actual results could differ from those estimates.

Valuation of Investments

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") clarifies that fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs.

In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 2 or Level 3 asset.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets, where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes, are generally valued using Level 2 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3 – Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls will be determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each asset.

The Company's board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the Company's valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, its audit committee, and the independent third-party valuation firm. The determination of the fair value of the Company's Level 3 assets requires judgment, which include assets for which market prices are not available. For most of the Company's assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of the Company's net asset value is based, in part, on the fair value of its assets, the Company's calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that the Company ultimately realizes upon the disposal of such assets. Furthermore, through the valuation process, the Company's board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

The Company may also look to private merger and acquisition statistics, public trading multiples adjusted for illiquidity and other factors, valuations implied by third-party investments in the businesses or industry practices in determining fair value. The Company may also consider the size and scope of a business and its specific strengths and weaknesses, as well as any other factors it deems relevant in assessing the value.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation on Investments

The Company will measure realized gains or losses as the difference between the net proceeds from the sale, repayment, or disposal of an asset and the amortized cost basis of the asset, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on investments will reflect the change in asset values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Securities

The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)" in the Company's condensed consolidated statements of operations.

Income Recognition

Interest Income – Interest income from loans and debt securities is recorded on an accrual basis to the extent that the Company expects to collect such amounts. The Company does not accrue as a receivable interest on loans and debt securities for accounting purposes if it has reason to doubt its ability to collect such interest.

The Company places loans on non-accrual status when principal and interest are past due 90 days or more or when there is a reasonable doubt that the Company will collect principal or interest. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are generally restored to accrual status when past due principal and interest amounts are paid and, in management's judgment, are likely to remain current. Since inception, the Company has not experienced any past due payments on any of its loan investments.

PIK Interest Income - PIK interest income is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as interest income and capitalized to the principal balance of the respective PIK Note. Such income is accrued only to the extent that the Company believes that the PIK interest income is probable of being collected. PIK interest capitalized to the principal balance is generally collected upon maturity of the respective PIK Note.

Dividend Income – Dividend income is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Each distribution received from an equity investment is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments as dividend income unless there are sufficient current or accumulated earnings prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

PIK Dividend Income - PIK dividend income is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as dividend income and capitalized to the principal balance of the preferred equity. Such income is accrued only to the extent that the Company believes that the PIK dividend income is probable of being collected. PIK dividends capitalized to the principal balance are generally collected upon redemption of the equity.

Paid in Capital

The Company records the proceeds from the sale of its common shares on a net basis to (i) capital shares at par value and (ii) paid in capital in excess of par value, excluding upfront selling commissions and dealer manager fees.

Share Repurchases

Under the Company's share repurchase program (the "Share Repurchase Program"), shares are redeemed as of the repurchase date, which will generally be the last business day of the month of a calendar quarter. Shares redeemed are retired and not available for reissue. See Note 7. "Capital Transactions" included in this supplement for additional information.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

Distribution and Shareholder Servicing Fees

The Company pays distribution and shareholder servicing fees with respect to its Class T and Class D shares, as described further below in Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement. The Company records the distribution and shareholder servicing fees, which accrue daily, in the Company's condensed consolidated statements of operations as they are incurred.

Deferred Financing Costs

Financing costs, including upfront fees, commitment fees and legal fees related to borrowings (as further described in Note 8. "Borrowings" included in this supplement) are deferred and amortized over the life of the related financing instrument using the effective yield method. The amortization of deferred financing costs is included in general and administrative expense in the Company's condensed consolidated statements of operations.

Allocation of Profit and Loss

Class-specific expenses, including base management fees, total return incentive fees, offering expenses, expense support (reimbursement), distribution and shareholder servicing fees and certain transfer agent fees, are allocated to each share class of common shares in accordance with how such expenses are attributable to the particular share classes, as determined by the Company's board of directors, the Company's governing agreements and, in certain cases, expenses which are specifically identifiable to a share class.

The following table reflects class-specific expenses by share class during the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 293	$ 1,823	$ 400	$ 592	$ 3,161	$ 151
Total return incentive fees	557	2,310	535	770	4,010	241
Offering expenses	—	—	77	12	405	—
Expense support	73	675	107	216	1,655	149
Other class-specific expenses [1]	7	40	206	148	227	5

	Nine Months Ended September 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 834	$ 4,892	$ 1,234	$ 1,660	$ 8,446	$ 424
Total return incentive fees	1,496	5,978	1,459	2,033	10,280	644
Offering expenses	—	97	222	44	1,281	—
Expense support	—	—	—	—	(1,017)	—
Other class-specific expenses [1]	23	122	648	436	662	16

	Quarter Ended September 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 269	$ 1,186	$ 414	$ 499	$ 2,301	$ 133
Total return incentive fees	399	1,268	410	584	2,345	168
Offering expenses	—	147	22	32	137	—
Expense support	—	—	—	—	335	18
Other class-specific expenses [1]	8	34	224	134	51	5

	Nine Months Ended September 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 788	$ 3,001	$ 1,204	$ 1,343	$ 6,307	$ 385
Total return incentive fees	1,217	3,435	1,249	1,479	7,041	511
Offering expenses	—	359	52	83	385	—
Expense support	—	—	—	—	(1)	1
Other class-specific expenses [1]	26	103	672	375	157	17

[1] Other class-specific expenses consist of distribution and shareholder servicing fees and certain transfer agent fees.

Income and expenses which are not class-specific are allocated monthly pro rata among the share classes based on shares outstanding as of the end of the month.

Net Investment Income per Share and Net Increase in Net Assets Resulting from Operations per Share

Net investment income per share and net increase in net assets resulting from operations per share are calculated for each share class of common shares based upon the weighted average number of common shares outstanding during the reporting period.

Distributions

The Company's board of directors has declared and intends to continue to declare distributions based on monthly record dates. The Company's distributions are paid in the same month as the declared record date. Distributions are made on all classes of the Company's shares at the same time.

The Company has adopted a distribution reinvestment plan that provides for reinvestment of distributions on behalf of shareholders. Non-founder shareholders participating in the distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable at a price per share equivalent to the then current public offering price, net of up-front selling commissions and dealer manager fees. Cash distributions paid on Class FA shares participating in the distribution reinvestment plan are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

Income Taxes

Under GAAP, the Company is subject to the provisions of ASC 740, "Income Taxes." The Company follows the authoritative guidance on accounting for uncertainty in income taxes and concluded it has no material uncertain tax positions to be recognized at this time. If applicable, the Company will recognize interest and penalties related to unrecognized tax benefits as income tax expense in the Company's condensed consolidated statements of operations.

The Company has operated and expects to continue to operate so that it will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation. Generally, if the Company were otherwise treated as a publicly traded partnership, the Company would not be taxable as a corporation if 90% or more of its gross income for each taxable year consists of "qualifying income" (generally, interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items) and the Company is not required to register under the Investment Company Act (the "qualifying income exception"). As a partnership, the individual shareholders are responsible for their proportionate share of the Company's taxable income.

The Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, and related tax assets and liabilities of the Taxable Subsidiaries are reflected in the Company's condensed consolidated financial statements. See Note 9. "Income Taxes" included in this supplement for additional information.

During the quarter and nine months ended September 30, 2025 and 2024, the Company did not incur any material interest or penalties. Tax years ending December 31, 2021 and forward remain subject to examination by taxing authorities.

Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (the "CODM") is comprised of the Company's chief operating officer and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). In addition to numerous other factors and metrics, the CODM utilizes net income, net assets and total return as key metrics in determining the amount of dividends to be distributed to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying consolidated statement of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

Reclassifications

Certain reclassifications have been made to the condensed consolidated statement of operations for the quarter and nine months ended September 30, 2024 to conform with the current year presentation. There was no impact on the Company's consolidated net income, net change in net assets resulting from operations, net cash used in operations or net cash provided by financing activities as a result of the reclassifications.

Recently Adopted and Issued Accounting Standards Updates

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 intends to improve reportable segment disclosure requirements, enhance interim disclosure requirements and provide new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods with fiscal years beginning after December 15, 2024. ASU 2023-07 is to be adopted retrospectively to all prior periods presented. The Company adopted this standard for the year ended December 31, 2024.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 intends to improve the transparency of income tax disclosures. ASU 2023-09 will be effective for the Company in its income tax disclosure included in its Annual Report on Form 10-K for the year ending December 31, 2025. Other than additional disclosure, the Company does not expect a change to its condensed consolidated financial statements.

3. Investments

In January 2025, the Company made an additional equity investment in Madison Retirement Holdings TopCo, LLC ("MAP") of $4.0 million to purchase the equity interests of a minority shareholder of the portfolio company.

In February 2025, the Company made an additional equity investment in Clarion Safety Systems, LLC ("Clarion") of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates and ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

In April 2025, the Company made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

In June 2025, the Company acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). The Company's total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million. IFPG is a membership-based organization serving more than 1,300 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business.

In June 2025, the Company made an additional equity investment in Milton Industries Inc ("Milton") of approximately $2.3 million.

On September 25, 2025, the Company, through its wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC ("SDC"), which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC. The Company's co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. The Company's equity investment represents less than 3% of the total equity ownership of Shipley Do-Nuts. The Company's investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by the Company's board of directors, including all of the independent directors of the Company's board of directors, as fair and reasonable to the Company and at a price to the Company no greater than the cost of the asset to LLCP VII.

The Company's investment portfolio is summarized as follows as of September 30, 2025 and December 31, 2024 (in thousands):

	As of September 30, 2025			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	5.0 %	4.8 %
Secured	171,389	171,389	12.7	12.5
Second lien	62,402	62,402	4.6	4.6
PIK notes	18,830	19,012	1.4	1.4
Total senior secured debt	319,611	319,793	23.7	23.3
Equity				
Preferred	74,812	78,416	5.8	5.7
Common	617,861	953,881	70.5	69.6
Total equity	692,673	1,032,297	76.3	75.3
Total investments	**$ 1,012,284**	**$ 1,352,090**	**100.0 %**	**98.6 %**

	As of December 31, 2024			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	5.9 %	5.4 %
Secured	148,576	148,576	13.0	12.1
Second lien	76,718	76,718	6.7	6.2
Total senior secured debt	292,284	292,284	25.6	23.7
Equity				
Preferred	62,070	61,155	5.4	5.0
Common	538,586	787,420	69.0	64.0
Total equity	600,656	848,575	74.4	69.0
Total investments	**$ 892,940**	**$ 1,140,859**	**100.0 %**	**92.7 %**

FOOTNOTE:

(1) The amortized cost represents the original cost adjusted for PIK interest and dividends.

Collectively, the Company's debt investments accrue interest at a weighted average per annum rate of 13.9% and have weighted average remaining years to maturity of 4.3 years as of September 30, 2025. The note purchase agreements contain customary covenants and events of default. As of September 30, 2025, all of the Company's portfolio companies were in compliance with their respective debt covenants. As of September 30, 2025 and December 31, 2024, none of the Company's debt investments were on non-accrual status.

The industry dispersion of the Company's portfolio company investments, based on fair value, as of September 30, 2025 and December 31, 2024 were as follows:

Industry	September 30, 2025	December 31, 2024
Healthcare Supplies	14.5 %	17.0 %
Insurance Services[(1)]	12.0	—
Commercial and Professional Services	11.5	13.0
Engineered Products	10.3	12.4
Retirement Plan Services	10.3	10.1
Legal Services[(2)]	9.5	—
Visual Safety Solutions	9.3	7.9
Franchise Consulting Services	8.4	—
Information Services and Advisory Solutions	6.2	12.2
Real Estate Services	5.4	6.3
Hobby Goods and Supplies	2.0	2.5
Restaurant and Food	0.6	—
Business Services	—	13.9
Sanitation Products	—	4.7
Total	100.0 %	100.0 %

FOOTNOTE:

(1) Included in Business Services industry as of December 31, 2024. The Company disaggregated this category as of September 30, 2025.

(2) Included in Business Services and Information Services and Advisory Solutions industries as of December 31, 2024. The Company disaggregated these categories as of September 30, 2025.

Summarized Portfolio Company Financial Information

The Company had two significant portfolio companies in which it owned a controlling equity interest during the quarter and nine months ended September 30, 2025 and 2024. The following tables present unaudited summarized operating data for the quarter and nine months ended September 30, 2025 and 2024, and summarized balance sheet data as of September 30, 2025 (unaudited) and December 31, 2024 for these portfolio companies (in thousands):

Clarion

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 8,499	$ 4,063	$ 23,777	$ 12,620
Expenses	(6,841)	(3,710)	(20,330)	(10,816)
Income before taxes	1,658	353	3,447	1,804
Income tax expense	(454)	(98)	(945)	(503)
Net income	$ 1,204	$ 255	$ 2,502	$ 1,301

	As of September 30, 2025	As of December 31, 2024
Current assets	$ 14,094	$ 7,124
Non-current assets	83,202	74,214
Current liabilities	2,571	2,551
Non-current liabilities	22,895	22,680
Stockholders' equity	71,830	56,107
Ownership percentage[1]	95 %	96 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

Sill

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 8,031	$ 6,391	$ 29,876	$ 14,636
Expenses	(7,922)	(5,846)	(25,571)	(15,515)
Income (loss) before taxes	109	545	4,305	(879)
Income tax benefit (expense)	375	(1,718)	(327)	(1,038)
Net income (loss)	$ 484	$ (1,173)	$ 3,978	$ (1,917)

	As of September 30, 2025	As of December 31, 2024
Current assets	$ 12,086	$ 12,039
Non-current assets	106,032	107,938
Current liabilities	3,957	5,585
Non-current liabilities	19,255	18,908
Stockholders' equity	94,906	95,484
Ownership percentage[1]	93 %	93 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

4. Fair Value of Financial Instruments

The Company's investments were categorized in the fair value hierarchy described in Note 2. "Significant Accounting Policies" included in this supplement, as follows as of September 30, 2025 and December 31, 2024 (in thousands):

	As of September 30, 2025				As of December 31, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Senior Debt	$ —	$ —	$ 319,793	$ 319,793	$ —	$ —	$ 292,284	$ 292,284
Equity	—	—	1,032,297	1,032,297	—	—	848,575	848,575
Total Investments	**$ —**	**$ —**	**$ 1,352,090**	**$ 1,352,090**	**$ —**	**$ —**	**$ 1,140,859**	**$ 1,140,859**

The ranges of unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of September 30, 2025 and December 31, 2024 were as follows (in thousands):

As of September 30, 2025

Asset Group	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)[1]	Impact to Valuation from an Increase in Input[2]
Senior Debt	$ 319,109	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 16.0% (13.5%) 5.8x – 20.4x (13.1x)	Decrease Increase
	684	Transaction Precedent	Transaction Price	N/A	N/A
Equity	1,025,481	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.0% – 16.0% (13.5%) 5.8x – 20.4x (13.1x)	Decrease Increase
	6,816	Transaction Precedent	Transaction Price	N/A	N/A
Total	**$ 1,352,090**				

As of December 31, 2024

Asset Group	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)[1]	Impact to Valuation from an Increase in Input[2]
Senior Debt	$ 292,284	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Equity	848,575	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Total	**$ 1,140,859**				

FOOTNOTES:

(1) Discount rates are relative to the enterprise value of the portfolio companies and are not the market yields on the associated debt investments. Unobservable inputs were weighted by the relative fair value of the investments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.

The preceding tables include the significant unobservable inputs as they relate to the Company's determination of fair values for its investments categorized within Level 3 as of September 30, 2025 and December 31, 2024. In addition to the techniques and inputs noted in the tables above, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the fair value estimates for the Company's investments. Any significant increases or decreases in the unobservable inputs would result in significant increases or decreases in the fair value of the Company's investments.

Investments that do not have a readily available market value are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a present value amount range. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors the Company may take into account to determine the fair value of its investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

The following tables provide a reconciliation of investments for which Level 3 inputs were used in determining fair value for the nine months ended September 30, 2025 and 2024 (in thousands):

	Nine Months Ended September 30, 2025		
	Senior Debt	Equity	Total
Fair value balance as of January 1, 2025	$ 292,284	$ 848,575	$ 1,140,859
Additions	41,602	124,970	166,572
Disposals and repayments of debt investments	(15,000)	(35,500)	(50,500)
Principal repayment	(188)	—	(188)
PIK interest and dividends	913	4,888	5,801
Return of capital[(1)]	—	(2,342)	(2,342)
Net change in unrealized appreciation, including unrealized foreign currency gain	182	91,706	91,888
Fair value balance as of September 30, 2025	$ 319,793	$ 1,032,297	$ 1,352,090
Change in net unrealized appreciation on investments held as of September 30, 2025	$ 182	$ 91,706	$ 91,888

	Nine Months Ended September 30, 2024		
	Senior Debt	Equity	Total
Fair value balance as of January 1, 2024	$ 276,158	$ 600,685	$ 876,843
Additions	9,376	113,531	122,907
Principal repayment	(188)	—	(188)
PIK dividends	—	1,490	1,490
Return of capital[(1)]	—	(2,445)	(2,445)
Net change in unrealized appreciation	—	53,314	53,314
Fair value balance as of September 30, 2024	$ 285,346	$ 766,575	$ 1,051,921
Change in net unrealized appreciation on investments held as of September 30, 2024	$ —	$ 53,314	$ 53,314

FOOTNOTE:

(1) Represents portion of distributions received which were accounted for as a return of capital. See Note 2. "Significant Accounting Policies" included in this supplement for information on the accounting treatment of distributions from portfolio companies.

5. Related Party Transactions

The Manager and Sub-Manager, along with certain affiliates of the Manager or Sub-Manager, receive fees and compensation in connection with the Public Offerings, as well as the acquisition, management and sale of the assets of the Company, as follows:

Managing Dealer

Commissions — The Company pays CNL Securities Corp. (the "Managing Dealer"), an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.

Dealer Manager Fee — The Company pays the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and 1.75% of the price of each Class T share sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.

Distribution and Shareholder Servicing Fee — The Company pays the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee, subject to certain limits, that are allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase.

Manager and/or Sub-Manager

Offering Costs — The Company reimburses the Manager and the Sub-Manager, along with their respective affiliates, for the offering costs (other than selling commissions and dealer manager fees) they have incurred on the Company's behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. The Company incurred an obligation to reimburse the Manager and Sub-Manager for offering costs based on actual amounts raised through the Public Offerings of approximately $0.5 million and $0.3 million during the quarter ended September 30, 2025 and 2024, respectively, and approximately $1.6 million and $0.9 million during the nine months ended September 30, 2025 and 2024, respectively.

Base Management Fee to Manager and Sub-Manager — The Company pays each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement described below. The Company incurred base management fees of approximately $6.4 million and $4.8 million for the quarter ended September 30, 2025 and 2024, respectively, and approximately $17.5 million and $13.0 million during the nine months ended September 30, 2025 and 2024, respectively.

The base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares of a particular class, 2% of the product of (x) the Company's average gross assets and (y) the ratio of Non-founder shares Average Adjusted Capital (as defined below), for a particular class to total Average Adjusted Capital and (ii) for the Founder shares of a particular class, 1% of the product of (x) the Company's average gross assets and (y) the ratio of outstanding Founder shares Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The management fee for a certain month is calculated based on the average value of the Company's gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets reflects changes in the fair market value of the Company's assets, which does not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation or depreciation. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below. For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. "Adjusted Capital" is defined as cumulative proceeds generated from sales of the Company's shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of upfront selling commissions and dealer manager fees ("sales load"), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, and adjusted for share conversions, if any, for such class.

Total Return Incentive Fee on Income to the Manager and Sub-Manager — The Company also pays each of the Manager and the Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. The Company recorded total return incentive fees of approximately $8.4 million and $5.2 million for the quarter ended September 30, 2025 and 2024, respectively, and approximately $21.9 million and $14.9 million during the nine months ended September 30, 2025 and 2024, respectively.

The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. The Company will accrue (but not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annualized basis. The Company will perform a final reconciliation of the total return incentive fee calculation at the completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below.

For purposes of this calculation, "Total Return to Shareholders" for each annualized period is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of each calendar month end. The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" mean the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares or Founder shares, as applicable.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annualized Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").
- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-Founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.
- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular class exceeds 7.777% in any calendar year.

- For any annualized period in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.
- For purposes of calculating the Total Return to Shareholders, the change in the Company's net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the Company since inception, adjusted for any special distributions resulting from the sale of the Company's assets, provided such adjustment is approved by the Company's board of directors. If, as of each calendar year end, the Company's net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in the Company's net asset value for such share class in excess of the High Water Mark, and (B) if the Company's net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in the Company's per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in the Company's per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. With respect to the calculation of Total Return to Shareholders, the following tables provide the applicable High Water Marks for the years ended December 31, 2025 and 2024:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2025	$ 39.55	$ 35.68	$ 35.72	$ 35.42	$ 36.12	$ 40.09
December 31, 2024	36.67	33.57	33.64	33.31	34.06	37.25

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable period. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar month end.

Reimbursement to Manager and Sub-Manager for Operating Expenses and Pursuit Costs — The Company reimburses the Manager and the Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to the Company, including fees, costs, expenses, liabilities and obligations relating to the Company's activities, acquisitions, dispositions, financings and business, subject to the terms of the Company's limited liability company agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement (as defined below). The Company does not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for the benefit of the Company.

Expense Support and Conditional Reimbursement Agreement — The Company entered into an expense support and conditional reimbursement agreement with the Manager and the Sub-Manager, as amended, (the "Expense Support and Conditional Reimbursement Agreement"), which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that the Company's annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of the Company's distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support and Conditional Reimbursement Agreement (the "Expense Support").

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Until the Expense Support and Conditional Reimbursement Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager. Expense support is paid by the Manager and Sub-Manager annually in arrears.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), the Company uses such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support and Conditional Reimbursement Agreement. The Company's obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, the Company has received cumulative Expense Support of approximately $5.1 million. Of the Expense Support received through September 30, 2025, approximately $4.9 million had been reimbursed and approximately $0.2 million was no longer eligible for reimbursement. As of September 30, 2025, approximately less than $0.1 million of Expense Support collected from the Manager and Sub-Manager is subject to reimbursement.

Distributions

Individuals and entities affiliated with the Manager and Sub-Manager owned approximately 0.4 million shares as of September 30, 2025 and 2024. These individuals and entities received distributions from the Company of approximately $0.1 million for each of the quarter ended September 30, 2025 and 2024, and approximately $0.4 million during each of the nine months ended September 30, 2025 and 2024.

Related party fees and expenses incurred for the quarter and nine months ended September 30, 2025 and 2024 are summarized below (in thousands):

		Quarter Ended September 30,		Nine Months Ended September 30,	
Related Party	**Source Agreement & Description**	**2025**	**2024**	**2025**	**2024**
Managing Dealer	Managing Dealer Agreement:				
	Commissions[1]	$ 180	$ 692	$ 465	$ 1,734
	Dealer manager fees[1]	104	107	266	266
	Distribution and shareholder servicing fees[2]	327	334	998	971
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:				
	Offering expense reimbursement[3][4]	494	338	1,644	879
	Base management fees[3]	6,420	4,802	17,490	13,028
	Total return incentive fees[3]	8,423	5,174	21,890	14,932
Manager and Sub-Manager	Expense Support and Conditional Reimbursement Agreement: Expense Support	2,875	353	(1,017)	—
Manager	Administrative Services Agreement:				
	Reimbursement of third-party operating expenses[3][5]	36	131	124	378
	Shareholder servicing fees[2]	168	—	485	—

Sub-Manager	Sub-Management Agreement:				
	Reimbursement of third-party pursuit costs[3][6]	220	(159)	911	843

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in the Company's condensed consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in the Company's condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in the Company's condensed consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties net as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025	December 31, 2024
Due from related parties:		
Expense Support	$ 1,017	$ 20
Total due from related parties	1,017	20
Due to related parties:		
Total return incentive fees	$ (21,890)	$ (24,119)
Base management fees	(2,074)	(1,758)
Offering expenses	(212)	(138)
Distribution and shareholder servicing fees	(108)	(115)
Reimbursement of third-party operating expenses and pursuit costs	(602)	(276)
Total due to related parties	$ (24,886)	$ (26,406)
Due to related parties, net	$ (23,869)	$ (26,386)

6. Distributions

The Company's board of directors declared distributions on a monthly basis in each of the nine months ended September 30, 2025 and 2024 (nine record dates). The following table reflects the total distributions declared during the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Nine Months Ended September 30,					
	2025			2024		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]	Distributions Declared[1][2]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]
First Quarter	$ 10,372	$ 5,175	$ 5,197	$ 8,807	$ 4,056	$ 4,751
Second Quarter	10,547	5,335	5,212	9,214	4,344	4,870
Third Quarter	10,813	5,519	5,294	9,676	4,693	4,983
	$ 31,732	$ 16,029	$ 15,703	$ 27,697	$ 13,093	$ 14,604

FOOTNOTES:

(1) The Company's board of directors declared distributions per share on a monthly basis. See Note 12. "Financial Highlights" included in this supplement for distributions declared by share class. Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 - September 30, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 - September 30, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

The sources of declared distributions on a GAAP basis were as follows (in thousands):

	Nine Months Ended September 30,			
	2025		2024	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income[1]	$ 14,470	45.6 %	$ 17,618	63.6 %
Net realized gain	1,432	4.5	—	—
Distributions in excess of net investment income[2]	15,830	49.9	10,079	36.4
Total distributions declared	$ 31,732	100.0 %	$ 27,697	100.0 %

FOOTNOTES:

(1) Net investment income includes Expense Support of $1,017 and $0 for the nine months ended September 30, 2025 and 2024, respectively. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information.

(2) Consists of distributions made from offering proceeds for the periods presented.

In September 2025, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on October 27, 2025 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

7. Capital Transactions

Public Offerings

Under the Second Follow-On Public Offering, the Company has offered and continues to offer up to $1.0 billion of shares, on a best efforts basis, which means that CNL Securities Corp., as the Managing Dealer of the Second Follow-On Public Offering, uses its best effort but is not required to sell any specific amount of shares. The Company is offering, in any combination, four classes of shares in the Second Follow-On Public Offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in shares. There are differing selling fees and commissions for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The public offering price, selling commissions and dealer manager fees per share class are determined monthly as approved by the Company's board of directors. As of September 30, 2025, the public offering price was $40.96 per Class A share, $39.23 per Class T share, $37.19 per Class D share and $37.98 per Class I share.

The Company is also offering, in any combination, up to $100.0 million of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to its distribution reinvestment plan.

See Note 13. "Subsequent Events" included in this supplement for additional information related to the Public Offerings.

The following tables summarize the total shares issued and proceeds received by share class in connection with the Public Offerings, excluding shares repurchased through the Share Repurchase Program described further below, for the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Nine Months Ended September 30, 2025								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	15	$ 576	$ (45)	$ 531	152	$ 5,547	167	$ 6,078	$ 36.35
Class T	395	15,103	(686)	14,417	33	1,204	428	15,621	36.48
Class D	65	2,343	—	2,343	42	1,545	107	3,888	36.14
Class I	2,309	85,187	—	85,187	210	7,733	2,519	92,920	36.89
	2,784	$ 103,209	$ (731)	$ 102,478	437	$ 16,029	3,221	$ 118,507	$ 36.78

	Nine Months Ended September 30, 2024								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	2,013	$ 69,980	$ (1,542)	$ 68,438	115	$ 3,920	2,128	$ 72,358	$ 34.00
Class T	282	10,061	(458)	9,603	39	1,320	321	10,923	34.05
Class D	476	16,070	—	16,070	42	1,415	518	17,485	33.76
Class I	2,177	75,022	—	75,022	187	6,438	2,364	81,460	34.46
	4,948	$ 171,133	$ (2,000)	$ 169,133	383	$ 13,093	5,331	$ 182,226	$ 34.18

FOOTNOTE:

(1) The Company incurs selling commissions and dealer manager fees on the sale of Class A and Class T shares sold through the Public Offerings. See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for additional information regarding up-front selling commissions and dealer manager fees.

Share Repurchase Program

In accordance with the Share Repurchase Program, the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares is limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). At the sole discretion of the Company's board of directors, the Company may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

During the nine months ended September 30, 2025 and 2024, the Company received requests for the repurchase of approximately $46.2 million and $38.3 million, respectively, of the Company's common shares. The Company's board of directors approved the repurchase requests.

The following table summarizes the shares repurchased during the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	146	$ 5,891	$ 40.32
Class A	146	5,342	36.66
Class T	57	2,081	36.75
Class D	125	4,491	35.90
Class I	749	27,844	37.13
Class S	13	527	41.12
Nine Months Ended September 30, 2025	1,236	$ 46,176	$ 37.35

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	139	$ 5,199	$ 37.19
Class A	114	3,890	34.01
Class T	134	4,505	33.86
Class D	61	2,051	33.70
Class I	627	21,675	34.53
Class S	27	1,003	38.03
Nine Months Ended September 30, 2024	1,102	$ 38,323	$ 34.77

As of September 30, 2025 and December 31, 2024, the Company had a payable for shares repurchased of approximately $16.5 million and $19.2 million, respectively, which were paid in October and January 2025, respectively.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the nine months ended September 30, 2025, approximately 638,000 Class T shares were converted to approximately 638,000 Class A shares at an average conversion rate of 1.00. During the nine months ended September 30, 2024, approximately 247,000 Class T shares were converted to approximately 247,000 Class A shares at an average conversion rate of 1.00.

8. Borrowings

In February 2024, CNL Strategic Capital B, Inc. ("Borrower"), a wholly-owned subsidiary of the Company, and Valley National Bank, entered into a Revolving Loan Agreement (the "2024 Loan Agreement") for a $50.0 million revolving line of credit (the "2024 Line of Credit"). In connection with the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.2 million. The Borrower is required to pay interest on any borrowed amounts under the 2024 Line of Credit at a rate per year equal to the 1-Month Term SOFR plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of 0.15% on the difference between (i) total 2024 Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the 2024 Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the 2024 Loan Agreement at any time and such borrowings are required to be repaid within 180 days of the borrowing date. Under the 2024 Loan Agreement, the Company is required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by the Company.

In February 2024, the Company entered into a Guaranty agreement to act as a guarantor of the Borrower's outstanding borrowings under the 2024 Loan Agreement (the "Guaranty Agreement"). On February 15, 2024, the Borrower and the Company also entered into a pledge and assignment of bank and deposit accounts ("2024 Pledge Agreement") in favor of Valley National Bank. Under the 2024 Pledge Agreement, the Company is required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company's offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the 2024 Loan Agreement.

In February 2025, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to February 15, 2026. The amendment additionally grants Valley National Bank the ability to increase the maximum commitment an additional $50.0 million at their discretion. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million.

The Company borrowed and repaid $30.0 million during the nine months ended September 30, 2025 and no amounts under the 2024 Line of Credit were outstanding as of September 30, 2025.

9. Income Taxes

The Company incurs income tax expense related to its Taxable Subsidiaries. The components of income tax expense were as follows during the quarter and nine months ended September 30, 2025 and 2024 (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Current tax expense	$ 28	$ 15	$ 75	$ 10
Deferred tax expense	3,497	1,300	8,510	2,567
Total income tax expense	$ 3,525	$ 1,315	$ 8,585	$ 2,577

The effective tax rate for the nine months ended September 30, 2025 and 2024 was 8.0% and 3.6%, respectively. The primary items giving rise to the difference between the 21.0% federal statutory rate applicable to corporations and the effective tax rates are due to state taxes and the benefits of the partnership structure.

Significant components of the Company's deferred tax assets and liabilities as of September 30, 2025 and December 31, 2024 were as follows (in thousands):

	September 30, 2025	December 31, 2024
Deferred tax assets:		
Carryforwards of net operating loss	$ 4,113	$ 1,818
Other	75	45
Valuation allowance	(379)	(383)
Total deferred tax assets	3,809	1,480
Deferred tax liabilities:		
Unrealized appreciation on investments	(22,163)	(11,324)
Total deferred tax liabilities	(22,163)	(11,324)
Deferred tax liabilities, net	$ (18,354)	$ (9,844)

10. Concentrations of Risk

The Company had two portfolio companies which met at least one of the significance tests under Rule 10-01(b) of Regulation S-X for at least one of the periods presented in the condensed consolidated financial statements.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on the Company's results of operations and cash flows from operations, which would impact its ability to make distributions to shareholders.

11. Commitments & Contingencies

See Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement for information on contingent amounts due to the Manager and Sub-Manager for the reimbursement of offering costs under the Public Offerings and for the reimbursement of Expense Support.

From time to time, the Company and officers or directors of the Company may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its businesses. As of September 30, 2025, the Company was not involved in any legal proceedings.

In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company. However, based on experience, the Company expects that risk of loss to be remote.

12. Financial Highlights

The following are schedules of financial highlights of the Company attributed to each class of shares for the nine months ended September 30, 2025 and 2024 (in thousands except per share data):

	Nine Months Ended September 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net investment income, before Expense Support (reimbursement)[1]	1.00	0.34	0.08	0.24	0.27	0.97
Expense Support (reimbursement)[1][2]	—	—	—	—	0.07	—
Net investment income[1]	1.00	0.34	0.08	0.24	0.34	0.97
Net realized and unrealized gains, net of taxes[1][3]	2.44	2.43	2.41	2.42	2.44	2.43
Net increase resulting from investment operations	**3.44**	**2.77**	**2.49**	**2.66**	**2.78**	**3.40**
Distributions to shareholders[4]	(0.94)	(0.94)	(0.75)	(0.84)	(0.94)	(0.94)
Net decrease resulting from distributions to shareholders	**(0.94)**	**(0.94)**	**(0.75)**	**(0.84)**	**(0.94)**	**(0.94)**
Net Asset Value, End of Period	**$ 42.05**	**$ 37.51**	**$ 37.46**	**$ 37.24**	**$ 37.96**	**$ 42.55**
Net assets, end of period	$ 162,757	$ 333,763	$ 84,073	$ 113,745	$ 604,439	$ 72,310
Average net assets[5]	$ 159,387	$ 300,536	$ 86,273	$ 108,686	$ 543,812	$ 69,777
Shares outstanding, end of period	3,871	8,897	2,244	3,054	15,924	1,699
Distributions declared	$ 3,700	$ 8,008	$ 1,790	$ 2,577	$ 14,057	$ 1,600
Total investment return based on net asset value before total return incentive fee[6]	9.80 %	9.80 %	8.91 %	9.54 %	9.63 %	9.55 %
Total investment return based on net asset value after total return incentive fee[6]	8.57 %	7.87 %	7.06 %	7.62 %	7.80 %	8.59 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.83 %	2.04 %	2.76 %	2.30 %	2.24 %	0.92 %
Total operating expenses before Expense Support (reimbursement)	1.77 %	4.03 %	4.46 %	4.17 %	4.13 %	1.85 %
Total operating expenses	1.77 %	4.03 %	4.46 %	4.17 %	3.95 %	1.85 %
Net investment income before total return incentive fee[8]	3.42 %	2.95 %	1.90 %	2.55 %	2.82 %	3.30 %
Net investment income	2.48 %	0.96 %	0.21 %	0.68 %	0.93 %	2.38 %

	Nine Months Ended September 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 36.67**	**$ 33.57**	**$ 33.64**	**$ 33.31**	**$ 34.06**	**$ 37.25**
Net investment income before Expense Support (reimbursement)[1]	1.04	0.51	0.30	0.42	0.50	1.01
Expense Support (reimbursement)[1][2]	—	—	—	—	—	—
Net investment income[1]	1.04	0.51	0.30	0.42	0.50	1.01
Net realized and unrealized gains, net of taxes[1][3]	1.64	1.64	1.64	1.64	1.64	1.64
Net increase resulting from investment operations	**2.68**	**2.15**	**1.94**	**2.06**	**2.14**	**2.65**
Distributions to shareholders[4]	(0.94)	(0.94)	(0.75)	(0.84)	(0.94)	(0.94)
Net decrease resulting from distributions to shareholders	**(0.94)**	**(0.94)**	**(0.75)**	**(0.84)**	**(0.94)**	**(0.94)**
Net Asset Value, End of Period	**$ 38.41**	**$ 34.78**	**$ 34.83**	**$ 34.53**	**$ 35.26**	**$ 38.96**
Net assets, end of period	$ 155,153	$ 257,844	$ 89,487	$ 106,647	$ 487,709	$ 67,080
Average net assets[5]	$ 153,495	$ 208,435	$ 88,129	$ 95,173	$ 447,371	$ 65,922
Shares outstanding, end of period	4,040	7,413	2,569	3,089	13,832	1,721
Distributions declared	$ 3,861	$ 5,733	$ 1,943	$ 2,378	$ 12,150	$ 1,632
Total investment return based on net asset value before total return incentive fee[6]	8.18 %	7.91 %	7.31 %	7.76 %	7.91 %	8.02 %
Total investment return based on net asset value after total return incentive fee[6]	7.20 %	6.50 %	5.84 %	6.29 %	6.37 %	7.21 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.87 %	2.05 %	2.57 %	2.28 %	1.91 %	0.95 %
Total operating expenses before Expense Support (reimbursement)	1.67 %	3.69 %	3.98 %	3.83 %	3.48 %	1.72 %
Total operating expenses after Expense Support (reimbursement)	1.67 %	3.69 %	3.98 %	3.83 %	3.48 %	1.72 %
Net investment income before total return incentive fee[8]	3.57 %	3.14 %	2.31 %	2.80 %	3.03 %	3.45 %
Net investment income	2.78 %	1.49 %	0.90 %	1.24 %	1.45 %	2.67 %

FOOTNOTES:

(1) The per share amounts presented are based on weighted average shares outstanding.

(2) Expense Support (reimbursement) is accrued throughout the year and is subject to a final calculation as of the last business day of the calendar year.

(3) The amount shown at this caption is the balancing figure derived from the other figures in the schedule. The amount shown at this caption for a share outstanding throughout the period may not agree with the change in the aggregate gains and losses in portfolio investments for the period because of the timing of sales and repurchases of the Company's shares in relation to fluctuating fair values for the portfolio investments.

(4) The per share data for distributions is the actual amount of distributions paid or payable per common share outstanding during the entire period; distributions per share are rounded to the nearest $0.01.

(5) The computation of average net assets during the period is based on net assets measured at each month end, adjusted for capital contributions or withdrawals during the month.

(6) Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA assumes distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class, including Class S shares which do not participate in the distribution reinvestment plan. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee described in Note 5. "Related Party Transactions" to the "Financial Statements" included in this supplement. See footnote (8) below for information regarding the percentage of total incentive fees covered by expense support by share class for all periods presented. Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by

shareholders in the purchase of the Company's shares.

(7) Actual results may not be indicative of future results. Additionally, an individual investor's ratios may vary from the ratios presented for a share class as a whole.

(8) Amounts represent net investment income before total return incentive fee and related expense support as a percentage of average net assets. For the nine months ended September 30, 2025, approximately 10% of total return incentive fees for Class I were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T, Class D and Class S were covered by Expense Support. For the nine months ended September 30, 2024, approximately 7% and 5% of total return incentive fees for Class I and Class S, respectively, were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T or Class D were covered by Expense Support.

13. Subsequent Events

Distributions

In October 2025, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on November 25, 2025 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

Offerings

In October 2025, the Company's board of directors approved new per share offering prices for each share class in the Second Follow-On Public Offering. The new offering prices are effective as of October 30, 2025. The following table provides the new offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective October 30, 2025:				
Offering Price, Per Share	$ 40.99	$ 39.33	$ 37.24	$ 37.96
Selling Commissions, Per Share	2.46	1.18	—	—
Dealer Manager Fees, Per Share	1.02	0.69	—	—

Capital Transactions

During the period October 1, 2025 through November 5, 2025, the Company received additional net proceeds from the Second Follow-On Public Offering and distribution reinvestment plan of the following (in thousands except per share data):

	Proceeds from Second Follow-On Public Offering				Distribution Reinvestment Plan		Total		
Share Class	Shares	Gross Proceeds	Sales Load	Net Proceeds to Company	Shares	Gross Proceeds	Shares	Net Proceeds to Company	Average Net Proceeds per Share
Class A	—	$ —	$ —	$ —	17	$ 634	17	$ 634	$ 37.51
Class T	50	1,973	(88)	1,885	3	128	53	2,013	37.46
Class D	13	487	—	487	5	173	18	660	37.24
Class I	431	16,372	—	16,372	25	931	456	17,303	37.96
	494	$ 18,832	$ (88)	$ 18,744	50	$ 1,866	544	$ 20,610	$ 37.87

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 11 DATED OCTOBER 24, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 11 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended September 30, 2025;
- certain return information for all outstanding classes of shares; and
- an update to the "Management", "Security Ownership", and "Conflicts of Interest" sections.

Public Offering Price Adjustment

On October 23, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of October 30, 2025 and will be used for the Company's next monthly closing for subscriptions on October 31, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of September 30, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$40.99	$39.33	$37.24	$37.96
Selling Commissions, Per Share	$2.46	$1.18		
Dealer Manager Fees, Per Share	$1.02	$0.69		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On October 23, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
November 25, 2025	November 26, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended September 30, 2025

On October 23, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of September 30, 2025 (in thousands, except per share data):

Month Ended September 30, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$162,757	$333,763	$84,073	$113,745	$604,439	$72,310	$1,371,087
Number of Outstanding Shares	3,871	8,897	2,244	3,054	15,924	1,699	35,689
Net Asset Value, Per Share	$42.05	$37.51	$37.46	$37.24	$37.96	$42.55	
Net Asset Value, Per Share Prior Month	$41.82	$37.48	$37.37	$37.19	$37.98	$42.43	
Increase/Decrease in Net Asset Value, Per Share from Prior Month	$0.23	$0.03	$0.09	$0.05	($0.02)	$0.12	

The change in the Company's net asset value per share for each applicable share class for the month ended September 30, 2025 was primarily driven by the increases in the fair value of ten out of seventeen of the Company's portfolio company investments. The fair value of five of the Company's portfolio company investments decreased during the same period. The fair value of two of the Company's portfolio company investments did not change. As of September 30, 2025, the Company had total assets of approximately $1.43 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through September 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	8.6%	12.6%	35.0%	72.7%	11.1%	123.1%	February 7, 2018 – September 30, 2025
Class FA (with sales load)	1.5%	5.3%	26.3%	61.4%	10.1%	108.6%	February 7, 2018 – September 30, 2025
Class A (no sales load)	7.9%	11.7%	31.2%	62.9%	10.0%	104.4%	April 10, 2018 – September 30, 2025
Class A (with sales load)	-1.3%	2.2%	20.0%	49.0%	8.7%	87.0%	April 10, 2018 – September 30, 2025
Class I	7.8%	11.4%	30.8%	62.8%	10.1%	106.0%	April 10, 2018 – September 30, 2025
Class T (no sales load)	7.1%	10.6%	28.1%	56.7%	9.1%	89.7%	May 25, 2018 – September 30, 2025
Class T (with sales load)	2.0%	5.3%	22.0%	49.3%	8.4%	80.7%	May 25, 2018 – September 30, 2025
Class D	7.6%	11.3%	30.3%	61.7%	9.5%	93.5%	June 26, 2018 – September 30, 2025
Class S (no sales load)	8.6%	12.6%	35.5%	74.6%	12.2%	88.4%	March 31, 2020 – September 30, 2025
Class S (with sales load)	4.8%	8.7%	30.8%	68.5%	11.5%	81.8%	March 31, 2020 – September 30, 2025

[1] For the period from January 1, 2025 through September 30, 2025.
[2] For the period from October 1, 2024 through September 30, 2025.
[3] For the period from October 1, 2022 through September 30, 2025.
[4] For the period from October 1, 2020 through September 30, 2025.
[5] For the period from the date the first share was issued for each respective share class through September 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the nine months ended September 30, 2025, sources of declared distributions on a GAAP basis were as follows:

	Nine Months Ended September 30, 2025		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 14,470	45.6	%
Net realized gains	1,432	4.5	%
Distributions in excess of net investment income and net realized gains[2]	17,262	54.4	%
Total distributions declared	$ 31,732	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Nine Months Ended September 30, 2025		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 13,453	85.7	%
Expense support (reimbursement)	1,017	6.5	%
Net investment income	$ 14,470	92.2	%
Net realized gains	1,432	9.1	%
Cash distributions net of distributions reinvested in excess of net investment income and net realized gains[2]	—	—	%
Cash distributions declared net of distributions reinvested[3]	$ 15,703	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $1,017 for the nine months ended September 30, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the nine months ended September 30, 2025, excludes $16,029 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Management

The following chart under "Management—Directors and Executive Officers" located on page 109 of the Prospectus is amended and restated to reflect the election of Andrew M. Schwartz as a director which is effective as of November 1, 2025.

The following table sets forth certain information regarding our executive officers and directors as of the date of this prospectus.

Name	Age	Position(s) Held with Us	Director/Executive Officer Since
James M. Seneff, Jr.	79	Director and Chairman of the Board (Class II)	2017
Andrew M. Schwartz	42	Director (Class III)	2025
Mark D. Linsz	61	Independent Director (Class II)	2017
Benjamin A. Posen	57	Independent Director (Class I)	2017
Robert J. Woody	81	Independent Director (Class III)	2017
Chirag J. Bhavsar	56	Chief Executive Officer	2017
Tammy J. Tipton	65	Chief Financial Officer and Interim Chief Operating Officer	2016
Paul W. Drury	64	Senior Managing Director	2022

The following director biography replaces the biography of Mr. Arthur E. Levine under the section "Management—Directors and Executive Officers" on page 108 of the Prospectus.

Andrew M. Schwartz, serves as a director on our Board. Mr. Schwartz joined LLCP in 2011 and currently serves as a Partner of LLCP. In this capacity, he is responsible for the day-to-day management of the U.S. Investment Team and is actively involved in sector strategy, deal structuring and due diligence and oversight of the U.S. portfolio. Mr. Schwartz is a member of the Executive and Investment Committees. Prior to joining LLCP, Mr. Schwartz was a Vice President with Liberty Partners, a middle-market private equity firm, and previously an investment banker with Jefferies, both based in New York. Mr. Schwartz attended the University of Pennsylvania where he received a B.S. in Economics with a Concentration in Finance from The Wharton School and a B.S.E. in Computer Science and Engineering from the School of Engineering and Applied Science.

Mr. Schwartz was selected as an interested director on the Board because of his prior leadership experience at LLCP and his experience acquiring and managing businesses.

The following replaces the cross reference to Arther E. Levine with a cross reference to Andrew M. Schwartz under the section "Management—Senior Executives of the Sub-Manager" on page 113 of the Prospectus:

Andrew M. Schwartz is also a director on our board of directors and his biographical information is included in the prospectus under "Management—Directors and Executive Officers."

The following removes Andrew M. Schwartz's biography and adds a new biography for Arthur E. Levine under the section "Management—Senior Executives of the Sub-Manager" on page 113 of the Prospectus:

Arthur E. Levine serves as the Co-Chairperson of the Executive and Investment Committees of LLCP, which he co-founded in 1984. In addition to planning the strategic direction of LLCP, his activities include primary responsibility for the investment activities of LLCP and institutional fundraising. Mr. Levine is a graduate of Columbia Law School (where he was a Harlan Fiske Stone Scholar) and received his MBA from UCLA Anderson School of Management. Mr. Levine has been married to Ms. Leichtman, a co-founder of LLCP, since 1979.

Security Ownership

The "Security Ownership" section on page 142 of the Prospectus is amended and restated as follows:

SECURITY OWNERSHIP

The following table sets forth, as of October 23, 2025, information with respect to the beneficial ownership of our shares by: (i) each person known to us to beneficially own more than 5% of any class the outstanding shares; (ii) each of our directors and named executive officers; and (iii) all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. There are no shares subject to options that are currently exercisable or exercisable within 60 days of the offering. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power, based upon the information furnished to us by such shareholders, directors and executive officers.

Name and Address[1]	Number of Shares Beneficially Owned	Percentage of all Shares[2]
James M. Seneff, Jr.	220,096[3][4]	*
Andrew M. Schwartz	—	*
Mark D. Linsz	2,668[4][5]	*
Benjamin A. Posen	2,000[4]	*
Robert J. Woody	5,400[4][6]	*
Chirag J. Bhavsar	19,079[4]	*
Tammy J. Tipton	6,091[4][7]	*
Paul W. Drury	7,474[8]	*
All executive officers and directors as a group (8 persons)	262,808	0.74%

* Represents beneficial ownership of less than 1%

(1) Unless otherwise indicated, the address of each beneficial owner is c/o CNL Strategic Capital, LLC, 450 South Orange Avenue, Suite 1400, Orlando, FL 32801-3336.

(2) Based on a total of 35,689,496 shares outstanding as of October 23, 2025.

(3) Represents 60,096 Class FA shares held of record by the Manager, CNL Strategic Capital Management, LLC, an indirect subsidiary of CNL Financial Group, LLC, which is indirectly wholly owned by Mr. Seneff. Also represents 160,000 Class FA shares held of record by CNL Strategic Capital Investment, LLC, which is indirectly controlled by Mr. Seneff.

(4) Includes common shares purchased in our private offerings.

(5) Represents 2,000 Class FA common shares and 668 Class A common shares.

(6) Represents 4,000 Class FA common shares and 1,400 Class A common shares.

(7) Represents 2,616 Class FA common shares, 356 Class A common shares, and 3,119 Class I common shares.

(8) Represents Class I common shares.

Conflicts of Interest

The "Conflicts of Interest —Competition for Management Time" section on page 147 of the Prospectus is amended and restated as follows to reflect Mr. Schwartz's appointment to the Company's board of directors as of November 1, 2025.

James M. Seneff, Jr. and Andrew M. Schwartz, who serve as members of our board of directors, and Chirag J. Bhavsar, Tammy J. Tipton and Paul W. Drury, who serve as our executive officers, engage in the management of other business entities and properties and in other business activities, including activities associated with our affiliates. All of these individuals devote only as much of their time to our business as they, in their judgment, determine is reasonably required, which could be substantially less than their full time. The amount of time these individuals devote could be impacted by and commensurate with the level of our operating activity which will be impacted by the amount of funds raised from this offering and the subsequent acquisitions. These individuals may experience conflicts of interest in allocating management time, services, and functions among us and the various entities, investor programs (public or private) and any other business ventures in which any of them are or may become involved.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 10 DATED OCTOBER 3, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 10 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose an update to "Our Portfolio".

Our Portfolio

The following disclosure is added as a new portfolio company sub-section under the section "Our Portfolio" section, which appears on page 98 of the Prospectus.

Shipley Do-Nuts

Overview. On September 25, 2025, we, through our wholly-owned subsidiaries, SDC Strategic Capital EquityCo, LLC and SDC Strategic Capital DebtCo, LLC, made an approximately $7.5 million co-investment alongside other vehicles managed by affiliates of the Sub-Manager in SDC Holdco LLC, which owns a controlling equity interest in the Shipley Do-Nuts business ("Shipley Do-Nuts"). In July 2025, Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), an affiliate of the Sub-Manager, acquired a controlling equity interest in Shipley Do-Nuts through SDC Holdco LLC. Our co-investment is comprised of a combination of an indirect minority common share equity position of approximately $6.8 million and $0.7 million through a participation interest in the second lien secured debt of Shipley Do-Nuts. Our equity investment represents less than 3% of the total equity ownership of Shipley Do-Nuts. Our investment in Shipley Do-Nuts was acquired from LLCP VII at the same price and on substantially similar terms and conditions as LLCP VII's initial investment in July 2025. The terms of the transaction were approved by our board of directors, including all of the independent directors of our board of directors, as fair and reasonable to us and at a price to us no greater than the cost of the asset to LLCP VII.

Company Overview. Headquartered in Houston, Texas, Shipley Do-Nuts is one of the nation's largest donut and kolache brands, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley Do-Nuts has built a strong reputation during its nearly 90-year operating history for providing high quality products and exceptional customer service. Shipley Do-Nuts was founded in 1936.

Investment Highlights. We believe Shipley Do-Nuts has delivered robust historical growth across both same-store sales and unit count and continues to build upon a strong reputation for high quality products and customer service that it established over its nearly 90-year operating history. We believe Shipley Do-Nuts operates in the attractive donut market and has strong brand awareness. We believe Shipley Do-Nuts is highly franchised and has an established franchise network. Lastly, we believe Shipley Do-Nuts has an attractive financial profile driven by its largely recurring revenue base and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for Shipley Do-Nuts: (i) continued track record of positive same-store sales growth, (ii) continue to open new units, and (iii) investment in marketing and other areas.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 9 DATED SEPTEMBER 24, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 9 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended August 31, 2025;
- certain return information for all outstanding classes of shares; and
- an update to "Our Portfolio".

Public Offering Price Adjustment

On September 23, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of September 30, 2025 and will be used for the Company's next monthly closing for subscriptions on September 30, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of August 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$40.96	$39.23	$37.19	$37.98
Selling Commissions, Per Share	$2.46	$1.18		
Dealer Manager Fees, Per Share	$1.02	$0.68		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On September 23, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
October 27, 2025	October 28, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended August 31, 2025

On September 23, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. Additionally, pursuant to our share repurchase program, we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares back to us at a price based on the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date for our next quarterly repurchase will be September 30, 2025. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of August 31, 2025 (in thousands, except per share data):

Month Ended August 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$163,173	$334,031	$82,834	$113,551	$604,799	$72,200	$1,370,588
Number of Outstanding Shares	3,901	8,913	2,217	3,054	15,924	1,702	35,711
Net Asset Value, Per Share	$41.82	$37.48	$37.37	$37.19	$37.98	$42.43	
Net Asset Value, Per Share Prior Month	$41.60	$37.32	$37.23	$37.03	$37.82	$42.20	
Increase in Net Asset Value, Per Share from Prior Month	$0.22	$0.16	$0.14	$0.16	$0.16	$0.23	

The increase in the Company's net asset value per share for each applicable share class for the month ended August 31, 2025 was primarily driven by the increases in the fair value of ten out of sixteen of the Company's portfolio company investments. The fair value of five of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of August 31, 2025, the Company had total assets of approximately $1.40 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through August 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	7.8%	13.5%	35.7%	73.5%	11.1%	121.6%	February 7, 2018 – August 31, 2025
Class FA (with sales load)	0.8%	6.2%	26.8%	62.2%	10.1%	107.2%	February 7, 2018 – August 31, 2025
Class A (no sales load)	7.5%	12.8%	32.2%	63.5%	10.1%	103.7%	April 10, 2018 – August 31, 2025
Class A (with sales load)	-1.6%	3.2%	21.0%	49.6%	8.8%	86.4%	April 10, 2018 – August 31, 2025
Class I	7.6%	12.6%	31.8%	63.7%	10.2%	105.5%	April 10, 2018 – August 31, 2025
Class T (no sales load)	6.6%	11.6%	29.2%	57.0%	9.1%	88.8%	May 25, 2018 – August 31, 2025
Class T (with sales load)	1.5%	6.3%	23.0%	49.5%	8.4%	79.8%	May 25, 2018 – August 31, 2025
Class D	7.2%	12.4%	31.5%	62.2%	9.6%	92.7%	June 26, 2018 – August 31, 2025
Class S (no sales load)	8.0%	13.6%	36.9%	75.3%	12.3%	87.4%	March 31, 2020 – August 31, 2025
Class S (with sales load)	4.2%	9.6%	32.1%	69.1%	11.5%	80.8%	March 31, 2020 – August 31, 2025

[(1)] For the period from January 1, 2025 through August 31, 2025.
[(2)] For the period from September 1, 2024 through August 31, 2025.
[(3)] For the period from September 1, 2022 through August 31, 2025.
[(4)] For the period from September 1, 2020 through August 31, 2025.

[5] For the period from the date the first share was issued for each respective share class through August 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the eight months ended August 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Eight Months Ended August 31, 2025		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 12,226	43.5	%
Distributions in excess of net investment income[2]	15,862	56.5	%
Total distributions declared	$ 28,088	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Eight Months Ended August 31, 2025		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 4,119	29.6	%
Expense support (reimbursement)	8,107	58.2	%
Net investment income	$ 12,226	87.8	%
Cash distributions net of distributions reinvested in excess of net investment income[2]	1,701	12.2	%
Cash distributions declared net of distributions reinvested[3]	$ 13,927	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $8,107 for the eight months ended August 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the eight months ended August 31, 2025, excludes $14,161 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as a new bulleted point in the sub-section entitled "Growth Opportunities" under the section "USA Water" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In May 2025, USA Water acquired Florida Utility Solutions ("FUS"). Headquartered in Naples, Florida, FUS is a provider of operations, maintenance, and repair services for water and wastewater treatment plants throughout the state of Florida.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 8 DATED AUGUST 25, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 8 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended July 31, 2025; and
- certain return information for all outstanding classes of shares.

Public Offering Price Adjustment

On August 25, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of August 31, 2025 and will be used for the Company's next monthly closing for subscriptions on August 31, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of July 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$40.79	$39.09	$37.03	$37.82
Selling Commissions, Per Share	$2.45	$1.17		
Dealer Manager Fees, Per Share	$1.02	$0.69		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On August 25, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
September 26, 2025	September 29, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended July 31, 2025

On August 25, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of July 31, 2025 (in thousands, except per share data):

Month Ended July 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$162,320	$331,032	$82,486	$112,784	$591,105	$71,815	$1,351,542
Number of Outstanding Shares	3,901	8,871	2,216	3,046	15,631	1,702	35,367
Net Asset Value, Per Share	$41.60	$37.32	$37.23	$37.03	$37.82	$42.20	
Net Asset Value, Per Share Prior Month	$41.09	$36.86	$36.79	$36.58	$37.35	$41.68	
Increase in Net Asset Value, Per Share from Prior Month	$0.51	$0.46	$0.44	$0.45	$0.47	$0.52	

The increase in the Company's net asset value per share for each applicable share class for the month ended July 31, 2025 was primarily driven by the increases in the fair value of twelve out of seventeen of the Company's portfolio company investments. The fair value of four of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of July 31, 2025, the Company had total assets of approximately $1.40 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through July 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	7.0%	13.4%	36.0%	76.8%	11.1%	119.9%	February 7, 2018 – July 31, 2025
Class FA (with sales load)	0.1%	6.0%	27.2%	65.4%	10.1%	105.6%	February 7, 2018 – July 31, 2025
Class A (no sales load)	6.7%	12.7%	32.5%	64.2%	10.1%	102.2%	April 10, 2018 – July 31, 2025
Class A (with sales load)	-2.3%	3.1%	21.2%	50.3%	8.8%	85.0%	April 10, 2018 – July 31, 2025
Class I	6.8%	12.4%	32.1%	64.4%	10.3%	104.1%	April 10, 2018 – July 31, 2025
Class T (no sales load)	5.9%	11.4%	29.3%	57.6%	9.2%	87.7%	May 25, 2018 – July 31, 2025
Class T (with sales load)	0.9%	6.1%	23.1%	50.1%	8.4%	78.8%	May 25, 2018 – July 31, 2025
Class D	6.5%	12.2%	31.5%	62.8%	9.6%	91.4%	June 26, 2018 – July 31, 2025
Class S (no sales load)	7.2%	13.4%	37.0%	76.1%	12.3%	85.9%	March 31, 2020 – July 31, 2025
Class S (with sales load)	3.4%	9.4%	32.2%	69.9%	11.6%	79.4%	March 31, 2020 – July 31, 2025

[(1)] For the period from January 1, 2025 through July 31, 2025.
[(2)] For the period from August 1, 2024 through July 31, 2025.
[(3)] For the period from August 1, 2022 through July 31, 2025.
[(4)] For the period from August 1, 2020 through July 31, 2025.
[(5)] For the period from the date the first share was issued for each respective share class through July 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the seven months ended July 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Seven Months Ended July 31, 2025	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 10,653	43.5 %
Distributions in excess of net investment income[2]	13,830	56.5 %
Total distributions declared	$ 24,483	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Seven Months Ended July 31, 2025	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 3,183	26.2 %
Expense support (reimbursement)	7,470	61.4 %
Net investment income	$ 10,653	87.6 %
Cash distributions net of distributions reinvested in excess of net investment income[2]	1,506	12.4 %
Cash distributions declared net of distributions reinvested[3]	$ 12,159	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $7,470 for the seven months ended July 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the seven months ended July 31, 2025, excludes $12,324 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 7 DATED AUGUST 15, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 7 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

Our Portfolio

The following disclosure supersedes and replaces the section "Our Portfolio—Douglas Machine Corp.", which first appear on page 97 of the Prospectus, to correct a scrivener's error in Supplement No. 6 to the Prospectus that was previously filed with the Securities and Exchange Commission ("SEC") on August 8, 2025.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Suitability Standards

The following disclosure restates existing disclosure for administrative purposes from Supplement No. 2 to the Prospectus that was previously filed with the SEC on May 9, 2025, under the section "Suitability Standards", which appears on page ii of the Prospectus.

Ohio – It shall be unsuitable for Ohio residents to invest more than 10% of their liquid net worth in the issuer, affiliates of the issuer, and in any other non-traded direct participation programs. "Liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles, minus total liabilities) comprised of cash, cash equivalents and readily marketable securities. The condition also does not apply to purchasers who meet the definition of an accredited investor as defined in rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 6 DATED AUGUST 8, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 6 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- an update to our Prospectus Summary;
- an updated "Management's Discussion and Analysis of Financial Condition and Results of Operations" section substantially the same as that which was included in our Quarterly Report on Form 10-Q, filed on August 7, 2025;
- an updated "Our Portfolio" section;
- our condensed consolidated unaudited financial statements and the notes thereto as of and for the period ended June 30, 2025, as included in our Quarterly Report on Form 10-Q, filed on August 7, 2025; and
- an update to the "Certain U.S. Federal Income Tax Consequences" section.

Prospectus Summary

The following disclosure supersedes and replaces the second paragraph under the section "Prospectus Summary—Q: Who are Levine Leichtman Strategic Capital, LLC and LLCP?" and the third paragraph under the section "Business—The Manager and the Sub-Manager," which appear on pages 3 and 86, respectively, of the Prospectus.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 41 years. Since its inception in 1984, LLCP has managed approximately $18.1 billion of capital and currently manages approximately $12.7 billion of assets through March 31, 2025. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP's global team of dedicated investment professionals is led by nine partners who have worked at LLCP for an average of 19 years. LLCP currently has over 80 employees, including over 40 dedicated investment professionals.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Prospectus is hereby supplemented with the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is substantially the same as that which was included in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025. Unless otherwise defined in this supplement, capitalized terms are defined in such Quarterly Report on Form 10-Q.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on the unaudited condensed consolidated financial statements as of June 30, 2025 and December 31, 2024, and for the quarter and six months ended June 30, 2025 and 2024. Amounts as of December 31, 2024 included in the unaudited condensed consolidated statements of assets and liabilities have been derived from the audited consolidated financial statements as of that date. This information should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the notes thereto, as well as the audited consolidated financial statements, notes and management's discussion and analysis included in our Annual Report on Form 10-K for the year ended December 31, 2024

(our "Form 10-K"). Capitalized terms used in this supplement have the same meaning as in the accompanying unaudited condensed financial statements unless otherwise defined herein.

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by the Manager, CNL Strategic Capital Management, LLC, an entity that is registered as an investment adviser under the Advisers Act. The Manager is controlled by CNL Financial Group, LLC, a private investment management firm specializing in alternative investment products. We have engaged the Manager under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities and sub-managed by the Sub-Manager, Levine Leichtman Strategic Capital, LLC, a registered investment adviser, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

Since we commenced operations on February 7, 2018, we have acquired equity and debt investments in 17 middle market businesses primarily in the U.S. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of June 30, 2025, we had twelve investments structured as controlling equity interests in combination with debt positions and five investments structured as minority equity interests in combination with debt positions. All of our debt investments were current as of June 30, 2025.

We were formed as a Delaware limited liability company on August 9, 2016 and we operate and intend to continue to operate our business in a manner that will permit us to avoid registration under the Investment Company Act. We are not a "blank check" company within the meaning of Rule 419 of the Securities Act. We commenced operations on February 7, 2018.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced our Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Follow-On Registration Statement upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement filed with the SEC. Upon commencement of the Second Follow-On Public Offering, the Follow-On Registration Statement was deemed terminated.

Through the Second Follow-On Public Offering, we are offering, in any combination, four classes of the Non-founder shares. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to our distribution reinvestment plan).

Through June 30, 2025, we had received net proceeds from the Public Offerings of approximately $1.0 billion, including approximately $56.9 million received through our distribution reinvestment plan. As of June 30, 2025, the public offering price was $39.92 per Class A share, $38.30 per Class T share, $36.25 per Class D share and $37.01 per Class I share. See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" in the "Financial Statements" included in this supplement for additional information regarding the Public Offerings.

Through June 30, 2025, we had incurred selling commissions and dealer manager fees of approximately $14.6 million from the sale of Class A shares and Class T shares in the Public Offerings. The Class D shares and Class I shares sold through June 30, 2025, were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for offering costs of approximately $12.8 million based on actual amounts raised through the Public Offerings through June 30, 2025. These offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. "Related Party Transactions" of Item 1. "Financial Statements" included in this supplement.

In July 2025, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of July 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective July 31, 2025:				
Public Offering Price, Per Share	$ 40.28	$ 38.62	$ 36.58	$ 37.35
Selling Commissions, Per Share	2.42	1.16	—	—
Dealer Manager Fees, Per Share	1.00	0.67	—	—

Since we commenced operations on February 7, 2018, we have raised total net offering proceeds (including amounts raised from our private offerings and Public Offerings) of approximately $1.2 billion, including approximately $56.9 million received through our distribution reinvestment plan as of June 30, 2025.

Portfolio and Investment Activity

As of June 30, 2025, we had invested in 17 portfolio companies, consisting of equity investments and debt investments. The table below presents our portfolio company investments (in millions):

		As of June 30, 2025						
		Equity Investments		Debt Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Senior Secured Debt	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis[2]
Lawn Doctor	2/7/2018	61 %	$ 27.6	Second Lien	16.0 %	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2026	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	9.0	Second Lien	15.0	12/19/2030	3.4	12.4
Resolution Economics	1/2/2020	8	7.6	Second Lien	15.0	12/30/2027	2.8	10.4
Blue Ridge	3/24/2020	16	9.5	Second Lien	15.0	12/28/2029	2.6	12.1
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Douglas	10/7/2021	90	35.5	Second Lien	16.0	10/7/2028	15.0	50.5
Clarion	12/9/2021	95	70.3	First Lien	15.0	12/9/2028	22.5	92.8
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	6/30/2023	—	—	Secured	[3]	5/6/2029	24.5	24.5
TacMed	3/24/2023	95	76.7	Secured	16.0	3/24/2030	29.0	105.7
Sill	10/20/2023	93	90.6	Secured	14.0	10/20/2030	15.9	106.5
USAW	2/21/2024	5	8.6	Second Lien	16.0	8/20/2031	1.4	10.0
LBR	6/17/2024	8	73.3	PIK Note	12.0% PIK	5/17/2039	18.2	91.5
MAP	7/18/2024	60	61.5	First Lien	15.0	7/18/2031	15.0	76.5
IFPG	6/23/2025	91	90.5	First Lien	15.0	6/23/2032	23.0	113.5
			$ 721.1				$ 333.4	$ 1,054.5

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of June 30, 2025, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Schedule of Investments and Note 3. “Investments” of the “Financial Statements” included in this supplement for additional information related to our investments, including fair values as of June 30, 2025.

(3) As of June 30, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at June 30, 2025 was 4.32%.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders. See our Form 10-K for the year ended December 31, 2024 for additional information regarding our portfolio companies and their related business activities.

Our Portfolio Companies

The below information regarding our portfolio companies contain a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other financial measures determined in accordance with GAAP. We use this non-GAAP financial measure to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our portfolio companies. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider this measure appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as a supplemental measure.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

As of June 30, 2025 and December 31, 2024, Lawn Doctor, Inc. ("Lawn Doctor") had total assets of approximately $101.0 million and $98.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 13,884	$ 13,433	$ 25,807	$ 23,225
Net income (GAAP)	$ 1,313	$ 1,299	$ 2,003	$ 1,515
Interest and debt related expenses	1,417	1,473	2,804	2,948
Depreciation and amortization	656	633	1,306	1,272
Income tax expense	426	477	778	646
Adjusted EBITDA (non-GAAP)	$ 3,812	$ 3,882	$ 6,891	$ 6,381
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,308*	*$ 2,350*	*$ 4,204*	*$ 3,863*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 61% of Lawn Doctor.

Polyform

As of June 30, 2025 and December 31, 2024, Polyform Products, Co. ("Polyform") had total assets of approximately $30.7 million and $31.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net (loss) income of Polyform for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 4,861	$ 4,823	$ 9,661	$ 8,544
Net (loss) income (GAAP)	$ (162)	$ 3	$ (258)	$ (440)
Interest and debt related expenses	728	723	1,448	1,446
Depreciation and amortization	468	464	936	929
Income tax (benefit) expense	(64)	1	(101)	(174)
Adjusted EBITDA (non-GAAP)	$ 970	$ 1,191	$ 2,025	$ 1,761
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 845*	*$ 1,038*	*$ 1,764*	*$ 1,534*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 87% of Polyform.

Roundtables

As of June 30, 2025 and December 31, 2024, Auriemma U.S. Roundtables ("Roundtables") had total assets of approximately $65.2 million and $59.5 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Roundtables for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 4,872	$ 4,328	$ 9,609	$ 8,639
Net income (GAAP)	$ 494	$ 145	$ 622	$ 2
Interest and debt related expenses	560	616	1,196	1,267
Depreciation and amortization	519	561	1,039	1,083
Income tax expense	139	45	188	1
Adjusted EBITDA (non-GAAP)	$ 1,712	$ 1,367	$ 3,045	$ 2,353
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,383*	*$ 1,104*	*$ 2,459*	*$ 1,900*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 81% of Roundtables.

HSH

As of June 30, 2025 and December 31, 2024, Healthcare Safety Holdings, LLC ("HSH") had total assets of approximately $40.0 million and $42.4 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of HSH for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 8,679	$ 8,767	$ 17,812	$ 17,098
Net income (GAAP)	$ 439	$ 583	$ 885	$ 1,180
Interest and debt related expenses	936	926	1,863	1,837
Depreciation and amortization	714	747	1,427	1,494
Income tax expense	142	205	287	415
Adjusted EBITDA (non-GAAP)	$ 2,231	$ 2,461	$ 4,462	$ 4,926
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,662*	*$ 1,834*	*$ 3,325*	*$ 3,670*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 75% of HSH.

ATA

As of June 30, 2025 and December 31, 2024, ATA Holding Company, LLC ("ATA") had total assets of approximately $85.9 million and $86.7 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of ATA for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 15,272	$ 14,627	$ 25,958	$ 24,824
Net income (loss) (GAAP)	$ 1,057	$ 743	$ (1,451)	$ (1,646)
Interest and debt related expenses	1,484	1,475	2,928	2,935
Depreciation and amortization	1,051	1,084	2,102	2,185
Adjusted EBITDA (non-GAAP)	$ 3,592	$ 3,302	$ 3,579	$ 3,474
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,694*	*$ 2,477*	*$ 2,684*	*$ 2,606*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 75% of ATA.

Douglas

As of June 30, 2025 and December 31, 2024, Douglas Machines Corp. ("Douglas") had total assets of approximately $56.2 million and $55.9 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Douglas for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 8,754	$ 7,305	$ 16,841	$ 13,857
Net income (GAAP)	$ 562	$ 18	$ 692	$ 208
Interest and debt related expenses	593	638	1,203	1,288
Depreciation and amortization	370	355	740	708
Income tax expense (benefit)	54	(193)	67	(179)
Adjusted EBITDA (non-GAAP)	$ 1,579	$ 818	$ 2,702	$ 2,025
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,425*	*$ 738*	*$ 2,438*	*$ 1,827*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 90% of Douglas.

Clarion

As of June 30, 2025 and December 31, 2024, Clarion had total assets of approximately $96.6 million and $81.3 million, respectively. In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates and ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Clarion for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 8,764	$ 4,164	$ 15,278	$ 8,557
Net income (GAAP)	$ 1,192	$ 504	$ 1,298	$ 1,046
Interest and debt related expenses	811	836	1,619	1,677
Depreciation and amortization	433	257	730	513
Income tax expense	450	197	491	405
Adjusted EBITDA (non-GAAP)	$ 2,886	$ 1,794	$ 4,138	$ 3,641
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,722*	*$ 1,727*	*$ 3,931*	*$ 3,506*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 95% and 96%, respectively, of Clarion.

Vektek

As of June 30, 2025 and December 31, 2024, Vektek Holdings, LLC ("Vektek") had total assets of approximately $108.9 million and $110.1 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income of Vektek for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 8,887	$ 8,747	$ 17,519	$ 17,819
Net income (GAAP)	$ 406	$ 95	$ 713	$ 371
Interest and debt related expenses	1,497	1,562	2,985	3,119
Depreciation and amortization	912	908	1,823	1,830
Income tax expense	16	28	45	28
Adjusted EBITDA (non-GAAP)	$ 2,831	$ 2,593	$ 5,566	$ 5,348
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 2,370*	*$ 2,171*	*$ 4,660*	*$ 4,477*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 84% of Vektek.

TacMed

As of June 30, 2025 and December 31, 2024, Tacmed Holdings, LLC ("TacMed") had total assets of approximately $106.4 million and $111.3 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of TacMed for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 11,134	$ 9,469	$ 20,642	$ 17,897
Net loss (GAAP)	$ (374)	$ (1,458)	$ (1,300)	$ (3,565)
Interest and debt related expenses	1,178	1,173	2,344	2,346
Depreciation and amortization	1,298	1,530	2,655	2,790
Income tax benefit	(47)	(425)	(369)	(653)
Transaction related expenses[1]	—	15	—	26
Adjusted EBITDA (non-GAAP)	$ 2,055	$ 835	$ 3,330	$ 944
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[2]	*$ 1,958*	*$ 797*	*$ 3,176*	*$ 901*

FOOTNOTES:

(1) Initial buyer transaction costs paid by TacMed included in the purchase price. Transaction related expenses are non-recurring.

(2) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 95% of TacMed.

Sill

As of June 30, 2025 and December 31, 2024, Sill Holdings, LLC ("Sill") had total assets of approximately $121.4 million and $120.0 million, respectively.

The following table reconciles our proportionate share of Adjusted EBITDA from net income (loss) of Sill for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 10,663	$ 4,572	$ 21,845	$ 8,245
Net income (loss) (GAAP)	$ 1,220	$ (1,127)	$ 3,494	$ (744)
Interest and debt related expenses	566	569	1,171	1,138
Depreciation and amortization	866	551	1,750	1,101
Income tax expense (benefit)	78	253	702	(680)
Adjusted EBITDA (non-GAAP)	$ 2,730	$ 246	$ 7,117	$ 815
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[1]	*$ 2,547*	*$ 230*	*$ 6,639*	*$ 763*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025 and 2024, we owned approximately 93% and 94%, respectively, of Sill.

MAP

As of June 30, 2025 and December 31, 2024, MAP had total assets of approximately $124.0 million and $122.7 million, respectively. We made our initial investment in MAP in July 2024. In January 2025, we made an additional equity investment in MAP of $4.0 million to purchase the equity interests of a minority shareholder of the portfolio company. In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, CA.

The following table reconciles our proportionate share of Adjusted EBITDA from net loss of MAP for the quarter and six months ended June 30, 2025 (in thousands):

	Quarter Ended June 30, 2025	Six Months Ended June 30, 2025
Revenues	$ 10,538	$ 18,923
Net loss (GAAP)	$ (612)	$ (4,168)
Interest and debt related expenses	682	1,341
Depreciation and amortization	1,875	4,194
Income tax expense	—	1
Adjusted EBITDA (non-GAAP)	$ 1,945	$ 1,368
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 1,159*	*$ 815*

FOOTNOTE:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of June 30, 2025, we owned approximately 60% of MAP.

IFPG

We acquired approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG") in June 2025. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Due to the timing of acquisition, Adjusted EBITDA will not be disclosed for the quarter and six months ended June 30, 2025.

Other Portfolio Companies

As of June 30, 2025, we held minority equity and debt positions in five portfolio companies.

In April 2025, we made an additional investment in LBR of approximately $25.8 million to partially finance the merger of LBR and ALM. ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

In June 2025, we made an additional equity investment in Milton of approximately $2.3 million.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase. In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Additionally, to the extent we have available cash we may make investments in short-term U.S. Treasury bills. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by rising interest rates, record inflationary pressures due to global supply chain issues, a rise in energy prices, and the impact of the recent public health crises, natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of approximately $15.6 million and $146.3 million, respectively.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $53.0 million and $109.4 million in net proceeds during the six months ended June 30, 2025 and 2024, respectively, from the Follow-On Public Offering and the Second Follow-On Public Offering, which excludes approximately $10.5 million and $8.4 million raised through our distribution reinvestment plan, respectively. As of June 30, 2025, we had approximately 808.6 million authorized common shares remaining for sale.

Investments. We received a return of capital from portfolio company investments of approximately $1.0 million and $0.6 million during the six months ended June 30, 2025 and 2024, respectively.

Borrowings. We borrowed $30.0 million during the six months ended June 30, 2025. The remaining undrawn 2024 Line of Credit as of June 30, 2025 was $20.0 million with an additional $50.0 million available upon approval by Valley National Bank. We did not borrow any amounts during the six months ended June 30, 2024. See Note 8. “Borrowings” of the “Financial Statements” included in this supplement for additional information regarding our 2024 Line of Credit.

Uses of Liquidity and Capital Resources

Investments. We used approximately $158.9 million and $93.3 million of cash to purchase portfolio company investments during the six months ended June 30, 2025 and 2024, respectively.

Operating Activities. We generated operating cash flows (excluding amounts related to investment activity) of approximately $7.5 million and $4.8 million during the six months ended June 30, 2025 and 2024, respectively.

Distributions. We paid distributions to our shareholders of approximately $10.4 million and $9.6 million (which excludes distributions reinvested of approximately $10.5 million and $8.4 million, respectively) during the six months ended June 30, 2025 and 2024, respectively. See “Distributions Declared” below for additional information.

Share Repurchases. We paid approximately $37.7 million and $22.0 million during the six months ended June 30, 2025 and 2024, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.1 million and $0.2 million in deferred financing costs during the six months ended June 30, 2025 and 2024, respectively.

Reimbursement of Expense Support. During the six months ended June 30, 2024, we reimbursed the Manager and Sub-Manager approximately $0.6 million for Expense Support received in previous years accrued as of December 31, 2023. Expense Support is received or Expense Support reimbursement is paid annually. No expense support was reimbursed to the Manager and Sub-Manager during the six months ended June 30, 2025.

As of June 30, 2025, there is approximately less than $0.1 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. “Related Party Transactions” of the “Financial Statements” included in this supplement for additional information.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the six months ended June 30, 2025 and 2024 (six record dates). The following table reflects the total distributions declared during the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Six Months Ended June 30,					
	2025			2024		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested [2]	Distributions Declared[1][2]	Distributions Reinvested [2]	Cash Distributions Net of Distributions Reinvested [2]
First Quarter	$ 10,372	$ 5,175	$ 5,197	$ 8,807	$ 4,056	$ 4,751
Second Quarter	10,547	5,335	5,212	9,214	4,344	4,870
	$ 20,919	$ 10,510	$ 10,409	$ 18,021	$ 8,400	$ 9,621

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 – June 30, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 – June 30, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Six Months Ended June 30,			
	2025		2024	
	Amount	Percentage[1]	Amount	Percentage[1]
Net investment income before Expense Support (reimbursement)	$ 5,374	51.6 %	$ 9,634	100.1 %
Expense Support (reimbursement)	3,892	37.4	353	3.7
Net investment income	$ 9,266	89.0 %	$ 9,987	103.8 %
Cash distributions net of distributions reinvested in excess of net investment income	1,143	11.0	—	—
Cash distributions declared, net of distributions reinvested[2]	$ 10,409	100.0 %	$ 9,621	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $10,510 and $8,400 of distributions reinvested pursuant to our distribution reinvestment plan during the six months ended June 30, 2025 and 2024, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. Distributions on the Non-founder shares may be lower than distributions on Founder shares because we are required to pay higher management and total return incentive fees to the Manager and the Sub-Manager with respect to the Non-founder shares. Additionally, distributions on Class T and Class D shares are lower than distributions on Class FA, Class A, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to Class T and Class D shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" in the "Financial Statements" included in this supplement for additional disclosures regarding distributions.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. Beginning with our repurchase date on June 30, 2025 and thereafter, a shareholder's repurchase request must be received by the repurchase agent on or before the date which is sixty (60) days prior to the date the Shares are redeemed. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

Our board of directors has the right to amend or suspend the Share Repurchase Program to the extent it determines that it is in our best interest to do so, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes, upon 30 days' prior notice to our shareholders. Once the Share Repurchase Program is suspended, the Share Repurchase Program requires that we consider the recommencement of the plan at least quarterly. Continued suspension of the Share Repurchase Program would only be permitted under the plan if our board of directors determines that the continued suspension of the Share Repurchase Program is in our best interest and the best interest of our shareholders. Our board of directors must affirmatively authorize the recommencement of the plan before shareholder requests will be considered again. Our board of directors cannot terminate the Share Repurchase Program absent a liquidity event or where otherwise required by law. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. Moreover, the Share Repurchase Program will terminate, and we no longer will accept shares for repurchase, if and when our shares are listed on a national securities exchange, are included for quotation in a national securities market or, in the sole determination of our board of directors, a secondary trading market for the shares otherwise develops. All shares to be repurchased under the Share Repurchase Program must be (i) fully transferable and not be subject to any liens or other encumbrances and (ii) free from any restrictions on transfer. If we determine that a lien or other encumbrance or restriction exists against the shares requested to be repurchased, we will not repurchase any such shares.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places. We have had no unfulfilled share repurchase requests ("Unfulfilled Repurchase Requests") under the Share Repurchase Program since inception.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the six months ended June 30, 2025 and 2024, we received requests for the repurchase of approximately $29.8 million and $26.6 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following tables summarizes the shares repurchased during the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA shares	115	$ 4,610	$ 39.92
Class A shares	94	3,430	36.21
Class T shares	33	1,185	36.29
Class D shares	108	3,817	35.68
Class I shares	446	16,293	36.54
Class S shares	10	422	40.80
Six Months Ended June 30, 2025	806	$ 29,757	$ 36.92
Class FA shares	109	$ 4,059	$ 36.99
Class A shares	76	2,536	33.80
Class T shares	113	3,814	33.76
Class D shares	49	1,633	33.59
Class I shares	400	13,737	34.32
Class S shares	20	777	37.89
Six Months Ended June 30, 2024	767	$ 26,556	$ 34.62

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Through June 30, 2025, we had acquired equity and debt investments in 17 portfolio companies. As of June 30, 2025 and 2024, the fair value of our portfolio company investments totaled approximately $1.4 billion and $1.0 billion, respectively. See "Portfolio and Investment Activity" above for discussion of the general terms and characteristics of our investments, and for information regarding our portfolio companies.

The following table summarizes our operating results for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total investment income	$ 18,217	$ 17,155	$ 35,123	$ 32,075
Total operating expenses	(21,505)	(11,952)	(29,702)	(22,446)
Expense support (reimbursement), net	3,883	58	3,892	353
Net investment income before taxes	595	5,261	9,313	9,982
Income tax (expense) benefit	(30)	5	(47)	5
Net investment income	**565**	**5,266**	**9,266**	**9,987**
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	45,339	18,972	55,205	35,202
Net increase in net assets resulting from operations	**$ 45,904**	**$ 24,238**	**$ 64,471**	**$ 45,189**

Investment Income

Investment income consisted of the following for the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
From portfolio company investments:				
Interest income	$ 10,475	$ 9,961	$ 20,771	$ 19,888
PIK interest income	364	—	364	—
Dividend income	5,009	5,368	8,940	9,041
PIK dividend income	1,532	—	3,188	—
From U.S. Treasury bills and cash accounts				
Interest and dividend income	837	1,826	1,860	3,146
Total investment income	**$ 18,217**	**$ 17,155**	**$ 35,123**	**$ 32,075**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of June 30, 2025 and 2024. As of June 30, 2025 and 2024, our weighted average annual yield on our accruing debt investments was 14.0% and 14.2%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." Interest income from our debt investments was approximately $10.5 million and $10.0 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $20.8 million and $19.9 million during the six months ended June 30, 2025 and 2024, respectively. The increase in interest income from portfolio company investments during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, is primarily attributable new debt investments made during July and December 2024.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Dividend income was approximately $5.0 million and $5.4 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $8.9 million and $9.0 million during the six months ended June 30, 2025 and 2024, respectively. During each of the six months ended June 30, 2025 and 2024, we received dividend income from ten and eleven of our portfolio companies, respectively.

PIK dividend income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as dividend income and added to the principal balance of the respective preferred equity. PIK dividend income was approximately $1.5 million and $3.2 million for the quarter and six months ended June 30, 2025, respectively. No PIK dividend income was recognized for the quarter and six months ended June 30, 2024.

PIK interest income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as interest income and added to the principal balance of the respective PIK Note. PIK interest income was approximately $0.4 million for the quarter and six months ended June 30, 2025. No PIK interest income was recognized for the quarter and six months ended June 30, 2024.

The decrease in interest income from cash and cash equivalents is a result of a modest decrease in the average investment yield and a decrease in the average investment balance driven by the net dollars raised in Public Offerings offset by higher deal volume during the second half of 2024 and the first half of 2025.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the quarter and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Total return incentive fees	$ 13,079	$ 5,273	$ 13,467	$ 9,758
Base management fees	5,765	4,208	11,070	8,226
Offering expenses	610	285	1,150	541
Professional services	824	997	1,488	1,584
Pursuit costs	274	497	691	1,002
Distribution and shareholder servicing fees	497	319	988	637
Custodian and accounting fees	148	134	296	267
Insurance expense	55	53	110	103
Director fees and expenses	52	54	103	107
General and administrative expenses	102	72	183	132
Interest expense	99	60	156	89
Total operating expenses	**21,505**	**11,952**	**29,702**	**22,446**
Expense support	(3,883)	(58)	(3,892)	(353)
Net expenses	**$ 17,622**	**$ 11,894**	**$ 25,810**	**$ 22,093**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses, interest expense and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services and interest expense).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis, and we perform a final reconciliation of the total return incentive fee calculation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We recorded total return incentive fees of approximately $13.1 million and $5.3 million for the quarters ended June 30, 2025 and 2024, respectively and approximately $13.5 million and $9.8 million during the six months ended June 30, 2025 and 2024, respectively. The increase in total return incentive fees during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, is primarily due to an increase of $20.0 million in the net change in unrealized appreciation on investments, including foreign currency gain (loss) offset by a decrease of $0.6 million in net investment income, taken over a larger Average Adjusted Capital during the quarter and six months ended June 30, 2025, as compared to the quarter and six months ended June 30, 2024.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears.

We incurred base management fees of approximately $5.8 million and $4.2 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $11.1 million and $8.2 million during the six months ended June 30, 2025 and 2024, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash) which were approximately $1.2 billion and $904.7 million during the six months ended June 30, 2025 and 2024, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to our condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

We expensed offering expenses of approximately $0.6 million and $0.3 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $1.2 million and $0.5 million during the six months ended June 30, 2025 and 2024, respectively. The increase is due to higher incurred offering expenses by the Manager during the quarter and six months ended June 30, 2025.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $0.3 million and $0.5 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $0.7 million and $1.0 million during the six months ended June 30, 2025 and 2024, respectively.

Distribution and Shareholder Servicing Fee

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $0.5 million and $0.3 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $1.0 million and $0.6 million during the six months ended June 30, 2025 and 2024.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, interest expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $1.3 million and $1.4 million for the quarters ended June 30, 2025 and 2024, respectively, and approximately $2.3 million and $2.3 million during the six months ended June 30, 2025 and 2024, respectively.

Expense Support (Reimbursement)

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense Support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the Conditional Reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, we have received cumulative Expense Support of approximately $5.1 million. During the quarter and six months ended June 30, 2024, we reimbursed the Manager and Sub-Manager approximately $0.6 million for Expense Support received in previous years accrued as of December 31, 2023. Expense Support is received or Expense Support reimbursement is paid annually. No expense support was reimbursed to the Manager and Sub-Manager during the quarter and six months ended June 30, 2025.

As of June 30, 2025, there is approximately less than $0.1 million unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" of the "Financial Statements" included in this supplement for additional information. Additionally, the Company accrued expense support due from the Manager and Sub-Manager of approximately $3.9 million and $0.4 million during the six months ended June 30, 2025 and 2024, respectively. The increase in expense support accrued during the six months ended June 30, 2025, as compared to June 30, 2024, is primarily attributable to the timing of dividends received from our portfolio companies. As of June 30, 2025, the Company's proportionate share of our portfolio companies' cash was approximately $40.8 million, which, if had been used to dividend to the Company, would have resulted in no expense support accrual.

The actual amount of Expense Support or Expense Support Reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. "Related Party Transactions" of the "Financial Statements" included in this supplement for additional information.

Other Expenses and Changes in Net Assets

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded and private comparable companies as determined by our independent valuation firm.

During the quarter and six months ended June 30, 2025, we recognized a net change in unrealized appreciation on our portfolio company investments of approximately $49.0 million and $60.2 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on thirteen portfolio companies of approximately $66.7 million, offset partially by gross unrealized depreciation on three portfolio companies of approximately $6.5 million during the six months ended June 30, 2025. One portfolio company investment has remained flat due to the recency of its acquisition. Gross unrealized appreciation was due to EBITDA growth, accretive add-on acquisitions, multiple expansion in certain of our portfolio companies and unrealized foreign currency gain. Gross unrealized depreciation was primarily driven by EBITDA declines and multiple compression. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $3.6 million and $5.0 million during the quarter and six months ended June 30, 2025, respectively.

During the quarter and six months ended June 30, 2024, we recognized a net change in unrealized appreciation on portfolio company investments of approximately $19.5 million and $36.5 million, respectively. The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on ten portfolio companies of approximately $43.4 million, offset partially by gross unrealized depreciation on five portfolio companies of approximately $6.9 million during the six months ended June 30, 2024. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions. Gross unrealized depreciation was primarily driven by EBITDA declines. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $0.5 and $1.3 million during the quarter and six months ended June 30, 2024, respectively.

Net Assets

During the quarter and six months ended June 30, 2025 and 2024, the net increase in net assets consisted of the following (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operations	$ 45,904	$ 24,238	$ 64,471	$ 45,189
Distributions to shareholders	(10,547)	(9,214)	(20,919)	(18,021)
Capital transactions	29,322	47,052	45,132	89,792
Net increase in net assets	$ 64,679	$ 62,076	$ 88,684	$ 116,960

Operations increased by approximately $21.7 million and $19.3 million, during the quarter and six months ended June 30, 2025, respectively, as compared to the quarter and six months ended June 30, 2024. The increase in operations for the quarter and six months ended June 30, 2025, as compared to the quarter and six months ended June 30, 2024, is primarily due to an increase in the net change in unrealized appreciation on investments of approximately $26.4 million and $20.0 million, respectively, and offset by a decrease in net investment income of approximately $4.7 million and $0.7 million, respectively.

Distributions increased approximately $1.3 million and $2.9 million, during the quarter and six months ended June 30, 2025, respectively, as compared to the quarter and six months ended June 30, 2024, primarily as a result of an increase in shares outstanding.

Capital transactions decreased by approximately $17.7 million and $44.7 million, during the quarter and six months ended June 30, 2025, respectively, as compared to the quarter and six months ended June 30, 2024. The decrease in capital transactions for the quarter and six months ended June 30, 2025, as compared to the quarter and six months ended June 30, 2024, is primarily due to a decrease in net proceeds received through the Public Offerings (including proceeds received through our distribution reinvestment plan) of approximately $19.3 million and $41.5 million, respectively, and a (decrease) increase in share repurchases of approximately $(1.6) million and $3.2 million, respectively.

Total Returns

The following table illustrates year-to-date return ("YTD Return"), trailing 12 months return ("1-Year Return"), trailing 36 months return ("3-year Return"), trailing 60 months return ("5-Year Return") and Annualized Return Since Inception, and cumulative total returns through June 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Total Return Period
Class FA (no sales load)	5.4 %	11.9 %	34.7 %	77.5 %	11.0 %	116.7 %	Feb. 7, 2018 - June 30, 2025
Class FA (with sales load)	(1.4)%	4.6 %	25.9 %	66.0 %	10.0 %	102.6 %	Feb. 7, 2018 - June 30, 2025
Class A (no sales load)	5.1 %	11.0 %	31.0 %	66.1 %	10.0 %	99.2 %	Apr. 10, 2018 - June 30, 2025
Class A (with sales load)	(3.8)%	1.6 %	19.8 %	51.9 %	8.7 %	82.2 %	Apr. 10, 2018 - June 30, 2025
Class I	5.2 %	10.9 %	30.7 %	66.2 %	10.1 %	101.0 %	Apr. 10, 2018 - June 30, 2025
Class T (no sales load)	4.4 %	9.9 %	27.8 %	59.3 %	9.0 %	85.0 %	May 25, 2018 - June 30, 2025
Class T (with sales load)	(0.5)%	4.7 %	21.7 %	51.7 %	8.3 %	76.3 %	May 25, 2018 - June 30, 2025
Class D	4.9 %	10.6 %	29.9 %	64.4 %	9.5 %	88.6 %	June 26, 2018 - June 30, 2025
Class S (no sales load)	5.6 %	12.0 %	35.5 %	78.2 %	12.2 %	83.2 %	Mar. 31, 2020 - June 30, 2025
Class S (with sales load)	1.9 %	8.1 %	30.8 %	72.0 %	11.5 %	76.7 %	Mar. 31, 2020 - June 30, 2025

FOOTNOTES:

(1) For the period from January 1, 2025 to June 30, 2025.

(2) For the period from July 1, 2024 to June 30, 2025.

(3) For the period from July 1, 2022 to June 30, 2025.

(4) For the period from July 1, 2020 to June 30, 2025.

(5) For the period from the date the first share was issued for each respective share class through June 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in Item 1A in Part I of our Form 10-K for the year ended December 31, 2024 and this Quarterly Report, including the negative impacts from recent geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3 investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Hedging Activities

As of June 30, 2025, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

See our Form 10-K for the year ended December 31, 2024 and Note 2. “Significant Accounting Policies” of Part I of our Quarterly Report for the period ended June 30, 2025 for a summary of our critical accounting policies.

Our Portfolio

The following disclosure supersedes and replaces the sections "Our Portfolio— Lawn Doctor," "Our Portfolio— Polyform," "Our Portfolio— Auriemma U.S. Roundtables," "Our Portfolio— Milton Industries," "Our Portfolio— Resolution Economics," "Our Portfolio— Blue Ridge ESOP Associates," "Our Portfolio— Healthcare Safety Holdings LLC," "Our Portfolio— ATA Title Company," "Our Portfolio—Douglas Machine Corp.," "Our Portfolio —Clarion Safety Systems," "Our Portfolio—Vektek Holdings," "Our Portfolio—TacMed Solutions," "Our Portfolio—Sill Public Adjusters," "Our Portfolio— USA Water, " "Our Portfolio—Law Business Research," "Our Portfolio—MAP Retirement" and Our Portfolio—International Franchise Professionals Group," respectively, which first appear on page 97 of the Prospectus.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions" and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 46 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operates a nationwide network of over 900 independently owned franchise units across the country as of June 30, 2025. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended June 30, 2025 was approximately $47.8 million. From the year ended December 31, 2009 to the trailing twelve months ended June 30, 2025, Lawn Doctor's total revenue has grown at compound annual growth rate of approximately 10.7%. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended June 30, 2025 was approximately $235 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc., a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports multiple franchised locations, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States under the Sparkle Squad brand.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution

pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions," we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 40 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. Polyform estimates that its products are available in thousands of retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net revenue for Polyform for the trailing twelve months ended June 30, 2025 was approximately $20.1 million. Net revenue for Polyform has grown at a compound annual growth rate of approximately 3.8% from the year ended December 31, 2009 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in December 2028. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, wealth management, fintech, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, NY, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions supports a sustainable revenue model. From 2019 to December 31, 2024, membership has experienced strong and steady growth over the last 5 years at a compound annual growth rate of approximately 9.4%. The total revenue for Roundtables for the trailing twelve months ended June 30, 2025 was approximately $18.6 million. Of the total revenue for Roundtables, the vast majority represented membership fees. From the year ended December 31, 2005 to the trailing twelve months ended June 30, 2025, Roundtables' total revenue has grown at a compound annual growth rate of approximately 13.8%.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
  In August 2023, Roundtables acquired insideARM, LLC. Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, IL. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 6,000 active customers and 3,000 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended June 30, 2025, of approximately $108.3 million. Milton's net revenue has grown at a compound annual growth rate of approximately 9.3% from the year ended December 31, 2010 to the trailing twelve months ended June 30, 2025. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing. Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics, a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.
- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and

statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended June 30, 2025, of approximately $95.3 million. ResEcon's total revenue has grown at a compound annual growth rate of 14.3% from the year ended December 31, 2007 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. Founded in 1983 and headquartered in Columbia, MD, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, CA. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 16% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended June 30, 2025 was approximately $73.6 million. From the year ended December 31, 2005 to the trailing twelve months ended June 30, 2025, Blue Ridge's total revenue has grown at a compound annual growth rate of approximately 19.2% and grew each year through the financial crisis. Blue Ridge provides services for over 1,600 ESOP plans with approximately 575,000 plan participants and over 8,000 401(k), defined benefit, and other type plans with over 300,000 plan participants. From 2016 through December 31, 2024, approximately 75% of Blue Ridge's clients were obtained through key channel partner referrals.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.
- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.

- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.
- In March 2025, Blue Ridge acquired Qualified Retirement Plan Services ("QRPS"). Founded in 1988 and headquartered in Raleigh, NC, QRPS is an independent third-party administrator of qualified retirement plans. The addition of QRPS further expands the Blue Ridge service offering, resource capacity, technical expertise, and geographical coverage, specifically in their 401(k) & Pension business line of services.

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, MN, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended June 30, 2025 was approximately $35.7 million. From the year ended December 31, 2005 to the trailing twelve months ended June 30, 2025, HSH's net revenue has grown at a compound annual growth rate of approximately 10.2%.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, MI, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers. Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended June 30, 2025 was approximately $53.2 million. From the year ended December 31, 2011 to the trailing twelve months ended June 30, 2025, ATA's total revenue has grown at a compound annual growth rate of approximately 1.9%.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas. Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes.

Company Overview. Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Exit. On August 1, 2025, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). We owned approximately 95% of the outstanding equity in Clarion as of June 30, 2025. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, PA, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended June 30, 2025 was approximately $32.1 million. Revenue for Clarion has grown at an approximately 12.2% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, MO, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended June 30, 2025 was approximately $35.5 million. Vektek's revenue has grown at an approximately 3.9% compound annual growth rate from the year ended December 31, 2006 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, South Carolina, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended June 30, 2025 was approximately $53.7 million. TacMed Solutions' revenue has grown at an approximately 9.4% compound annual growth rate from the year ended December 31, 2014 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us. As of June 30, 2025, we owned approximately 93% of Sill.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total revenue for the trailing twelve months ended as of June 30, 2025 was approximately $39.0 million. Sill's revenue has grown at an approximately 15.1% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended June 30, 2025.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, MA, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.
- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company. Founded in 1920 and headquartered in Blue Bell, PA, Young is a public adjusting firm serving the Philadelphia market.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended June 30, 2025, was approximately $132.9 million. From the year ended December 31, 2014 to the trailing twelve months ended June 30, 2025, USA Water achieved a compound annual growth rate in revenue of approximately 19.8%. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. Headquartered in Austin, TX, AWR Services provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.
- In February 2025, USA Water acquired Cenla Environmental Science. Founded in 1994 and headquartered in Alexandria, LA, Cenla is a provider of water and wastewater laboratory testing, operations, and maintenance services for municipal and commercial customers.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR. As of June 30, 2025, we owned approximately 8% of LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. LBR has achieved a historical compound annual growth rate in revenue of approximately 17% through growth of new products, new customers, price increases and cross-selling over the period from December 31, 2020 through to December 31, 2023, on a pro forma basis inclusive of add-on acquisitions. The total revenue for LBR for the trailing twelve months ended June 30, 2025, was approximately £158.9 million. From the year ended December 31, 2012 to the trailing twelve months ended June 30, 2025, LBR achieved a compound annual growth rate in revenue of approximately 22.6%. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its new partnership with ICG.

- In April 2025, we made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management. As of June 30, 2025, we owned approximately 60% of MAP.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance, fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. MAP Retirement's total revenue for the trailing twelve months ended June 30, 2025 was approximately $40.0 million. From the year ended December 31, 2022 to the trailing twelve months ended June 30, 2025, MAP Retirement achieved a compound annual growth rate in revenue of approximately 61.7%. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion. We believe that MAP is a provider of resilient, non-discretionary services to a large industry.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement's acquisition of Qualified Plan Consultants ("QPC"). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement's presence in Iowa and the Midwest.
- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement's acquisition of AimPoint Pension ("AimPoint"). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement's Southeast presence.
- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement's acquisition of Pension Plan Specialists ("PPS"). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.
- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.
- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.
- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. ("Blue Chip"), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. In connection with the acquisition of IFPG, the Company borrowed approximately $30 million under its revolving Line of Credit. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,500 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands, and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, NJ and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. Over the period from December 31, 2022, through June 30, 2025, IFPG has achieved a compound annual growth rate in revenue of approximately 25.2% primarily driven by consistent revenue growth with its recurring membership base, securing new customers and expansion of service offerings. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

Management

The subsection under "Management" entitled "Senior Executives of the Sub-Manager" which first appears on page 110 of the Prospectus is updated by removing Mr. Stephen J. Hogan from the chart containing the list of current senior executives of the Sub-Manager and by updating Mr. Hogan's biography as follows:

Stephen J. Hogan joined LLCP in 1996 and currently serves in the role of Senior Advisor. Previously, Mr. Hogan served as President, Co-Chief Operating Officer and Chief Financial Officer of LLCP. In this capacity, he was responsible for managing all day-to-day operations of the management company and LLCP's global business affairs, as well as oversight of the finance, accounting and investor relations functions. Prior to joining LLCP, Mr. Hogan served as the Chief Financial Officer for a Southern California middle market company and previously worked for KPMG Peat Marwick in Los Angeles, where he performed audit and tax work. Mr. Hogan received a B.S.B.A. with an emphasis in Accounting and an M.B.A. from the University of Southern California, and is a licensed CPA.

Certain U.S. Federal Income Tax Consequences

The following discussion supplements and updates the disclosures under the heading "Certain U.S. Federal Income Tax Consequences" (the "Existing Tax Disclosure") which first appears on page 159 of the Prospectus. Capitalized terms herein that are not otherwise defined shall have the same meaning as when used in the Existing Tax Disclosure of the Prospectus.

The One Big Beautiful Bill Act

On July 4, 2025, H.R. 1, informally known as the One Big Beautiful Bill Act (the "OBBB"), was enacted. The OBBB makes major changes to the Code. In particular:

- The OBBB permanently extended the Section 199A Deduction, generally allowing individuals to deduct 20% of certain "qualified business income" generated by the US. Business operations of a partnership or other flow-through entity.
- The OBBB permanently disallowed deductions for "miscellaneous itemized deductions" for non-corporate U.S. shareholders, which previously had been disallowed for taxable years beginning before January 1, 2026, and limited thereafter.
- Under the OBBB, beginning in 2026, otherwise allowable itemized deductions of an individual U.S. shareholder will be subject to reduction by an amount equal to 2/37 of the lesser of (i) the excess of such individual U.S. shareholder's taxable income (before reduction for such itemized deductions) over the dollar amount at which the 37% income tax rate bracket begins with respect to the taxpayer or (ii) the itemized deductions otherwise allowable.

To the extent the information set forth in the Existing Tax Disclosure is inconsistent with this supplemental information, this supplemental information supersedes the information in the Existing Tax Disclosure. This supplemental information is provided on the same basis and subject to the same qualifications as are set forth in the first six paragraphs of the Existing Tax Disclosure as if those paragraphs were set forth herein.

Financial Statements

The Prospectus is hereby supplemented with the following financial information, which is excerpted from Part I—Item 1. "Financial Statements" in our Quarterly Report on Form 10-Q for the quarterly period ended on June 30, 2025.

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CNL STRATEGIC CAPITAL, LLC CONDENSED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Investments at fair value:		
Portfolio company investments (amortized cost of $1,054,454 and $892,940, respectively)	$ 1,362,591	$ 1,140,859
Cash and cash equivalents	15,628	146,319
Receivable for shares sold	11,348	—
Prepaid expenses and other assets	409	472
Total assets	1,389,976	1,287,650
Liabilities		
Line of credit	30,000	—
Due to related parties, net (Note 5)	12,472	26,386
Payable for shares repurchased	11,190	19,169
Deferred tax liabilities, net	14,857	9,844
Accounts payable and other accrued expenses	1,565	1,043
Total liabilities	70,084	56,442
Commitments and contingencies (Note 11)		
Members' Equity (Net Assets)		
Preferred shares, $0.001 par value, 50,000 shares authorized and unissued	—	—
Class FA Common shares, $0.001 par value, 7,400 shares authorized; 4,844 shares issued; 3,902 and 4,017 shares outstanding, respectively	4	4
Class A Common shares, $0.001 par value, 94,660 shares authorized; 9,247 and 8,549 shares issued, respectively; 8,841 and 8,238 shares outstanding, respectively	9	8
Class T Common shares, $0.001 par value, 558,620 shares authorized; 3,846 and 3,582 shares issued, respectively; 2,160 and 2,511 shares outstanding, respectively	2	3
Class D Common shares, $0.001 par value, 94,660 shares authorized; 3,343 and 3,275 shares issued, respectively; 3,033 and 3,072 shares outstanding, respectively	3	3
Class I Common shares, $0.001 par value, 94,660 shares authorized; 17,549 and 15,936 shares issued, respectively; 15,321 and 14,154 shares outstanding, respectively	16	14
Class S Common shares, $0.001 par value, 100,000 shares authorized; 1,770 shares issued; 1,702 and 1,712 shares outstanding, respectively	2	2
Capital in excess of par value	1,076,656	1,031,526
Distributable earnings	243,200	199,648
Total Members' Equity	$ 1,319,892	$ 1,231,208
Net asset value per share:		
Class FA	$ 41.09	$ 39.55
Class A	$ 36.86	$ 35.68
Class T	$ 36.79	$ 35.72
Class D	$ 36.58	$ 35.42
Class I	$ 37.35	$ 36.12
Class S	$ 41.68	$ 40.09

(in thousands, except per share data)

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Investment income				
From portfolio company investments:				
Interest income	$ 10,475	$ 9,961	$ 20,771	$ 19,888
Payment-in-kind ("PIK") interest income	364	—	364	—
Dividend income	5,009	5,368	8,940	9,041
PIK dividend income	1,532	—	3,188	—
From U.S. Treasury bills and cash accounts				
Interest and dividend income	837	1,826	1,860	3,146
Total investment income	18,217	17,155	35,123	32,075
Operating expenses				
Total return incentive fees	13,079	5,273	13,467	9,758
Base management fees	5,765	4,208	11,070	8,226
Offering expenses	610	285	1,150	541
Professional services	824	997	1,488	1,584
Pursuit costs	274	497	691	1,002
Distribution and shareholder servicing fees	497	319	988	637
Custodian and accounting fees	148	134	296	267
Insurance expense	55	53	110	103
Director fees and expenses	52	54	103	107
General and administrative expenses	102	72	183	132
Interest expense	99	60	156	89
Total operating expenses	21,505	11,952	29,702	22,446
Expense support	(3,883)	(58)	(3,892)	(353)
Net operating expenses	17,622	11,894	25,810	22,093
Net investment income before taxes	595	5,261	9,313	9,982
Income tax (expense) benefit	(30)	5	(47)	5
Net investment income	565	5,266	9,266	9,987
Realized and unrealized gain (loss) on investments and foreign currency				
Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss):				
Portfolio company investments	48,979	19,468	60,218	36,469
Provision for deferred taxes on investments	(3,640)	(496)	(5,013)	(1,267)
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)	45,339	18,972	55,205	35,202
Net gain on investments	45,339	18,972	55,205	35,202
Net increase in net assets resulting from operations	$ 45,904	$ 24,238	$ 64,471	$ 45,189

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net increase in net assets resulting from operations per share				
Class FA	$ 1.56	$ 0.94	$ 2.17	$ 1.79
Class A	$ 1.27	$ 0.80	$ 1.81	$ 1.45
Class T	$ 1.07	$ 0.69	$ 1.57	$ 1.30
Class D	$ 1.21	$ 0.77	$ 1.72	$ 1.40
Class I	$ 1.34	$ 0.77	$ 1.86	$ 1.46
Class S	$ 1.61	$ 0.92	$ 2.22	$ 1.79
Weighted average shares				
Class FA	3,921	4,106	3,968	4,142
Class A	8,473	6,082	8,381	5,742
Class T	2,453	2,559	2,479	2,604
Class D	3,034	2,798	3,059	2,732
Class I	14,973	12,999	14,689	12,686
Class S	1,707	1,746	1,709	1,747

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND SIX MONTHS ENDED JUNE 30, 2025
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of March 31, 2025	34,154	$ 35	$ 1,047,335	$ 207,843	$ 1,255,213
Net investment income	—	—	—	565	565
Net change in unrealized appreciation on investments	—	—	—	45,339	45,339
Distributions to shareholders	—	—	—	(10,547)	(10,547)
Issuance of common shares through the Public Offerings	961	1	35,176	—	35,177
Issuance of common shares through distribution reinvestment plan	146	—	5,335	—	5,335
Repurchase of common shares pursuant to share repurchase program	(302)	—	(11,190)	—	(11,190)
Balance as of June 30, 2025	34,959	$ 36	$ 1,076,656	$ 243,200	$ 1,319,892

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2024	33,704	$ 34	$ 1,031,526	$ 199,648	$ 1,231,208
Net investment income	—	—	—	9,266	9,266
Net change in unrealized appreciation on investments	—	—	—	55,205	55,205
Distributions to shareholders	—	—	—	(20,919)	(20,919)
Issuance of common shares through the Public Offerings	1,771	3	64,376	—	64,379
Issuance of common shares through distribution reinvestment plan	290	—	10,510	—	10,510
Repurchase of common shares pursuant to share repurchase program	(806)	(1)	(29,756)	—	(29,757)
Balance as of June 30, 2025	34,959	$ 36	$ 1,076,656	$ 243,200	$ 1,319,892

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
QUARTER AND SIX MONTHS ENDED JUNE 30, 2024
(in thousands)

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of March 31, 2024	29,707	$ 31	$ 894,267	$ 139,935	$ 1,034,233
Net investment income	—	—	—	5,266	5,266
Net change in unrealized appreciation on investments	—	—	—	18,972	18,972
Distributions to shareholders	—	—	—	(9,214)	(9,214)
Issuance of common shares through the Public Offerings	1,626	1	55,483	—	55,484
Issuance of common shares through distribution reinvestment plan	127	—	4,344	—	4,344
Repurchase of common shares pursuant to share repurchase program	(367)	(1)	(12,775)	—	(12,776)
Balance as of June 30, 2024	31,093	$ 31	$ 941,319	$ 154,959	$ 1,096,309

	Common Shares		Capital in Excess of Par Value	Distributable Earnings	Total Net Assets
	Number of Shares	Par Value			
Balance as of December 31, 2023	28,435	$ 29	$ 851,529	$ 127,791	$ 979,349
Net investment income	—	—	—	9,987	9,987
Net change in unrealized appreciation on investments	—	—	—	35,202	35,202
Distributions to shareholders	—	—	—	(18,021)	(18,021)
Issuance of common shares through the Public Offerings	3,178	3	107,945	—	107,948
Issuance of common shares through distribution reinvestment plan	247	—	8,400	—	8,400
Repurchase of common shares pursuant to share repurchase program	(767)	(1)	(26,555)	—	(26,556)
Balance as of June 30, 2024	31,093	$ 31	$ 941,319	$ 154,959	$ 1,096,309

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2025	**2024**
Operating Activities:		
Net increase in net assets resulting from operations	$ 64,471	$ 45,189
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Purchases of portfolio company investments	(158,946)	(93,283)
Proceeds from return of capital on portfolio company investments	984	592
Net change in unrealized appreciation on investments and foreign currency transactions, excluding deferred taxes	(60,218)	(36,469)
PIK interest	(364)	—
PIK dividends	(3,188)	—
Decrease in due to related parties	(13,914)	(4,662)
Increase (decrease) in accounts payable and other accrued expenses	522	(418)
Increase in deferred tax liabilities, net	5,013	1,267
Increase (decrease) in prepaid expenses and other assets	150	(143)
Other operating activities	47	61
Net cash used in operating activities	(165,443)	(87,866)
Financing Activities:		
Proceeds from issuance of common shares	53,031	109,359
Payment on repurchases of common shares	(37,736)	(22,004)
Proceeds from line of credit	30,000	—
Distributions paid, net of distributions reinvested	(10,409)	(9,621)
Deferred financing costs	(134)	(163)
Net cash provided by financing activities	34,752	77,571
Net decrease in cash and cash equivalents	(130,691)	(10,295)
Cash and cash equivalents, beginning of period	146,319	134,453
Cash and cash equivalents, end of period	$ 15,628	$ 124,158
Supplemental disclosure of cash flow information and non-cash financing activities:		
Distributions reinvested	$ 10,510	$ 8,400
Amounts incurred but not paid (including amounts due to related parties):		
Offering costs	$ 187	$ 126
Payable for shares repurchased	$ 11,190	$ 12,776

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF JUNE 30, 2025

(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 6.9%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
IFPG TopCo, LLC	Franchise Consulting Services	15.0%	6/23/2032	23,000	23,000	23,000
Lawn Doctor, Inc.	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Notes – First Lien					89,990	89,990
Senior Secured Note –11.2%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2026	15,700	15,700	15,700
Sill Holdings, LLC[5]	Insurance Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,813	24,501	24,501
Total Senior Secured Note					148,452	148,452
Senior Secured Notes – Second Lien – 5.8%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Douglas Machines Corp.	Sanitation Products	16.0%	10/7/2028	15,000	15,000	15,000
Lawn Doctor, Inc.	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc.	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Legal Services	15.0%	12/30/2027	2,834	2,834	2,834
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Notes – Second Lien					76,718	76,718

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF JUNE 30, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured PIK Notes - 1.4%						
LOCI Topco Limited[6][7]	Legal Services	12.0% PIK[9]	5/17/2039	8,959	$ 9,141	$ 9,427
LOCI Topco Limited[6][8]	Legal Services	12.0% PIK[9]	5/17/2039	8,959	9,141	9,428
Total Senior Secured PIK Notes					18,282	18,855
Total Senior Secured Notes					**$ 333,442**	**$ 334,015**
Preferred Equity - 5.9%						
LOCI Topco Limited[6]	Legal Services	8.5% PIK[9]		46,597,751	$ 65,098	$ 70,073
LOCI Topco Limited[6]	Legal Services	12.0% PIK[9]		5,905,775	8,014	8,265
Total Preferred Equity					73,112	78,338
Common Equity – 72.0%						
ATA Holding Company, LLC[10]	Real Estate Services			37,985	$ 37,125	$ 36,176
Auriemma U.S. Roundtables[10]	Information Services and Advisory Solutions			33,094	33,476	66,938
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	9,427	40,437
Clarion Safety Systems, LLC[10]	Visual Safety Solutions			68,891	70,316	96,373
Douglas Machines Corp.[10]	Sanitation Products			35,500	35,500	35,537
Healthcare Safety Holdings, LLC[10]	Healthcare Supplies			17,320	17,320	44,928
IFPG TopCo, LLC[10]	Franchise Consulting Services			90,500	90,500	90,500
LOCI Topco Limited[6]	Legal Services			104,624	134	5,755
Lawn Doctor, Inc.[10]	Commercial and Professional Services			7,746	27,610	96,489
Madison Retirement Holdings TopCo, LLC[10]	Retirement Plan Services			61,500	61,500	69,695
Milton Industries Inc.	Engineered Products			7,395	8,903	21,455
Polyform Products, Co.[10]	Hobby Goods and Supplies			10,820	15,599	12,822
Resolution Economics, LLC	Legal Services			7,666	7,645	20,324
Sill Holdings, LLC[10]	Insurance Services			82,754	90,549	136,989
Tacmed Holdings, LLC[10]	Healthcare Supplies			77,000	76,744	93,797

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS (UNAUDITED)
AS OF JUNE 30, 2025
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	11,737
Vektek Holdings, LLC[10]	Engineered Products			56,928	56,928	70,286
Total Common Equity					647,900	950,238
Total Equity					**$ 721,012**	**$ 1,028,576**
TOTAL INVESTMENTS – 103.2%					**$ 1,054,454**	**$ 1,362,591**
OTHER ASSETS IN EXCESS OF LIABILITIES – (3.2)%						(42,699)
NET ASSETS – 100.0%						$ 1,319,892

FOOTNOTES:

(1) Security may be an obligation of one or more entities affiliated with the named company.

(2) Percentages represent fair value as a percentage of net assets for each investment category.

(3) All investments are US based unless otherwise noted.

(4) As of June 30, 2025, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60%. SOFR at June 30, 2025 was 4.32%.

(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 7.8% of net assets based on fair value as of June 30, 2025.

(7) Represents Tranche A2 PIK Notes, which rank third after the Tranche A1 PIK Notes issued by LOCI Midco 1 Limited (subsidiary of LOCI TopCo Limited).

(8) Represents Tranche B2 PIK Notes, which rank fourth after the Tranche A1 PIK Notes issued by LOCI Midco I Limited (subsidiary of LOCI TopCo Limited).

(9) PIK interest and dividend income is computed at the contractual rate in each applicable agreement and is accrued and recorded as interest income and dividend income, respectively, and capitalized to the principal balance.

(10) As of June 30, 2025, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
Senior Secured Note – First Lien – 5.4%						
Clarion Safety Systems, LLC	Visual Safety Solutions	15.0%	12/9/2028	22,500	$ 22,500	$ 22,500
Lawn Doctor, Inc	Commercial and Professional Services	[4]	8/6/2029	29,490	29,490	29,490
Madison Retirement Holdings TopCo, LLC	Retirement Plan Services	15.0%	7/18/2031	15,000	15,000	15,000
Total Senior Secured Note - First Lien					66,990	66,990
Senior Secured Note –12.1%						
ATA Holding Company, LLC[5]	Real Estate Services	15.0%	4/1/2027	37,000	$ 37,000	$ 37,000
Auriemma Consulting Group, Inc.[5]	Information Services and Advisory Solutions	8.0%	12/31/2028	2,000	2,000	2,000
Healthcare Safety Holdings, LLC[5]	Healthcare Supplies	15.0%	7/16/2027	24,400	24,400	24,400
Polyform Products, Co.[5]	Hobby Goods and Supplies	16.0%	2/7/2026	15,700	15,700	15,700
Sill Holdings, LLC [5]	Business Services	14.0%	10/20/2030	15,851	15,851	15,851
Tacmed Holdings, LLC[5]	Healthcare Supplies	16.0%	3/24/2030	29,000	29,000	29,000
Vektek Holdings, LLC[5]	Engineered Products	[4]	5/6/2029	24,625	24,625	24,625
Total Senior Secured Note					148,576	148,576
Senior Secured Note – Second Lien – 6.2%						
Auriemma U.S. Roundtables	Information Services and Advisory Solutions	16.0%	7/1/2028	12,114	$ 12,114	$ 12,114
Blue Ridge ESOP Associates	Retirement Plan Services	15.0%	12/28/2029	2,641	2,641	2,641
Douglas Machines Corp.	Sanitation Products	16.0%	10/7/2028	15,000	15,000	15,000
Lawn Doctor, Inc	Commercial and Professional Services	16.0%	2/7/2030	15,000	15,000	15,000
Milton Industries Inc	Engineered Products	15.0%	12/19/2030	3,353	3,353	3,353
Resolution Economics, LLC	Business Services	15.0%	12/30/2027	2,834	2,834	2,834
USA Water Intermediate Holdings, LLC	Commercial and Professional Services	16.0%	8/20/2031	1,376	1,376	1,376
Vektek Holdings, LLC	Engineered Products	15.0%	11/6/2029	24,400	24,400	24,400
Total Senior Secured Note - Second Lien					76,718	76,718
Total Senior Secured Notes					**$ 292,284**	**$ 292,284**
Preferred Equity – 5.0%						

See notes to condensed consolidated financial statements.

CNL STRATEGIC CAPITAL, LLC
CONDENSED CONSOLIDATED SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2024
(in thousands except share data)

Company [1][2][3]	Industry	Interest Rate	Maturity Date	Principal Amount / No. Shares	Amortized Cost	Fair Value
LOCI Topco Limited [6]	Information Services and Advisory Solutions	8.5% PIK[7]		46,597,751	$ 62,070	$ 61,155
Total Preferred Equity					62,070	61,155
Common Equity – 64.0%						
ATA Holding Company, LLC [8]	Real Estate Services			37,985	$ 37,125	$ 35,291
Auriemma U.S. Roundtables [8]	Information Services and Advisory Solutions			33,094	33,476	62,511
Blue Ridge ESOP Associates	Retirement Plan Services			11,489	10,200	36,896
Clarion Safety Systems, LLC [8]	Visual Safety Solutions			57,368	56,816	67,213
Douglas Machines Corp. [8]	Sanitation Products			35,500	35,500	39,057
Healthcare Safety Holdings, LLC [8]	Healthcare Supplies			17,320	17,320	47,726
LOCI Topco Limited [6]	Information Services and Advisory Solutions			73,215	93	1,618
Lawn Doctor, Inc [8]	Commercial and Professional Services			7,746	27,610	91,742
Madison Retirement Holdings TopCo, LLC[8]	Retirement Plan Services			57,500	57,500	60,463
Milton Industries, Inc	Engineered Products			6,647	6,647	18,849
Polyform Products, Co. [8]	Hobby Goods and Supplies			10,820	15,599	12,751
Resolution Economics, LLC	Business Services			7,666	7,855	20,400
Sill Holdings, LLC [8]	Business Services			82,754	90,549	119,736
Tacmed Holdings, LLC [8]	Healthcare Supplies			77,000	76,744	92,378
USA Water Intermediate Holdings, LLC	Commercial and Professional Services			86,245	8,624	10,370
Vektek Holdings, LLC [8]	Engineered Products			56,928	56,928	70,419
Total Common Equity					538,586	787,420
Total Equity					$ 600,656	$ 848,575
Total Investments – 92.7%					$ 892,940	$ 1,140,859
OTHER ASSETS IN EXCESS OF LIABILITIES–7.3%						90,349
NET ASSETS–100.0%						$ 1,231,208

FOOTNOTES:

See notes to condensed consolidated financial statements.

(1) Security may be an obligation of one or more entities affiliated with the named company.

(2) Percentages represent fair value as a percentage of net assets for each investment category.

(3) All investments are US based unless otherwise noted.

(4) As of December 31, 2024, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60% and SOFR + 4.35%, respectively. SOFR at December 31, 2024 was 4.53%.

(5) The Company has a first lien on this portfolio company's assets, except in cases when the portfolio company has a revolving line of credit provided by a third party lender. In some instances the revolving lender has a first priority lien on all assets, whereas, in others, the revolving lender has a first priority lien on only accounts receivable and inventory, if applicable, and a second lien on all other assets.

(6) LBR is headquartered in the United Kingdom. LBR investment represents 5.10% of net assets based on fair value as of December 31, 2024.

(7) PIK dividend income is computed at the contractual rate in each applicable agreement and is accrued and recorded as dividend income and capitalized to the principal balance.

(8) As of December 31, 2024, the Company owned a controlling interest in this portfolio company.

See notes to condensed consolidated financial statements.

1. Principal Business and Organization

CNL Strategic Capital, LLC (the "Company") is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. The Company is externally managed by CNL Strategic Capital Management, LLC (the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"). The Manager is responsible for the overall management of the Company's activities and the Sub-Manager is responsible for the day-to-day management of the Company's assets. The Manager and the Sub-Manager are each registered as an investment adviser under the Investment Advisers Act of 1940, as amended. The Company conducts and intends to continue its operations so that the Company and each of its subsidiaries do not fall within, or are excluded from, the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act").

The Company intends to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. The Company's business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. The Company seeks to structure its investments with limited, if any, third-party senior leverage.

The Company intends for a significant majority of its total assets to be comprised of long-term controlling equity interests and debt positions in the businesses it acquires. In addition, and to a lesser extent, the Company may acquire other debt and minority equity positions. The Company intends to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. The Company may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by the Sub-Manager or its affiliates. The Company expects that these positions will comprise a minority of its total assets.

The Company commenced its initial public offering of up to $1.1 billion of its limited liability company interests ("shares") on March 7, 2018 (the "Initial Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1, as amended (the "Initial Registration Statement"). On November 1, 2021, the Company commenced a follow-on public offering of up to $1.1 billion of shares (the "Follow-On Public Offering"), which included up to $100.0 million of shares being offered through its distribution reinvestment plan, pursuant to a registration statement on Form S-1 (the "Follow-On Registration Statement") filed with the Securities and Exchange Commission (the "SEC"). On November 1, 2024, the Company commenced a second follow-on public offering of up to $1.1 billion of shares (the "Second Follow-On Public Offering," and together with the Initial Public Offering and the Follow-On Public Offering, the "Public Offerings"), which includes up to $100.0 million of shares being offered through its distribution reinvestment plan, and terminated the Follow-On Public Offering.

Through the Second Follow-On Public Offering, the Company is offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, the "Non-founder shares"). There are differing selling fees and commissions and dealer manager fees for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Second Follow-On Public Offering (excluding sales pursuant to its distribution reinvestment plan). See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" included in this supplement for additional information related to the Public Offerings.

2. Significant Accounting Policies

Basis of Presentation

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Financial Accounting Standards Board Accounting Standards Codification ("ASC"), which requires the use of estimates, assumptions and the exercise of subjective judgment as to future uncertainties. In the opinion of management, the condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and necessary for the fair presentation of financial results as of and for the periods presented.

Although the Company is organized and intends to conduct its business in a manner so that it is not required to register as an investment company under the Investment Company Act, its financial statements are prepared using the specialized accounting principles of ASC Topic 946, "Financial Services—Investment Companies" ("ASC Topic 946") to utilize investment company accounting. The Company obtains funds through the issuance of equity interests to multiple unrelated investors, and provides such investors with investment management services. Further, the Company's business strategy is to acquire interests in middle-market U.S. businesses to provide current income and long term capital appreciation, while protecting invested capital. Overall, the Company believes that the use of investment company accounting on a fair value basis is consistent with the management of its assets on a fair value basis, and makes the Company's financial statements more useful to investors and other financial statement users in facilitating the evaluation of an investment in the Company as compared to other investment products in the marketplace.

Principles of Consolidation

Under ASC Topic 946 the Company is precluded from consolidating any entity other than an investment company or an operating company which provides substantially all of its services to benefit the Company. In accordance therewith, the Company has consolidated the results of its wholly owned subsidiaries that are investment companies in its condensed consolidated financial statements. However, the Company has not consolidated the results of its subsidiaries in which the Company holds debt and equity investments. All intercompany account balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds at commercial banks. Demand deposits are carried at cost plus accrued interest, which approximates fair value. The Company deposits its cash with highly-rated banking corporations and, at times, cash deposits may exceed the insured limits under applicable law.

Use of Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. The uncertainty of future events may materially impact the accuracy of the estimates and assumptions used in the financial statements and related footnotes and actual results could differ from those estimates.

Valuation of Investments

ASC Topic 820, "Fair Value Measurements and Disclosures" ("ASC Topic 820") clarifies that fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs.

In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 2 or Level 3 asset.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets, where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes, are generally valued using Level 2 inputs. If a price for an asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3 – Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls will be determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each asset.

The Company's board of directors is responsible for determining in good faith the fair value of the Company's Level 3 investments in accordance with the Company's valuation policy and procedures approved by the board of directors, based on, among other factors, the input of the Manager, the Sub-Manager, its audit committee, and the independent third-party valuation firm. The determination of the fair value of the Company's Level 3 assets requires judgment, which include assets for which market prices are not available. For most of the Company's assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of the Company's net asset value is based, in part, on the fair value of its assets, the Company's calculation of net asset value is subjective and could be adversely affected if the determinations regarding the fair value of its assets were materially higher than the values that the Company ultimately realizes upon the disposal of such assets. Furthermore, through the valuation process, the Company's board of directors may determine that the fair value of the Company's Level 3 assets differs materially from the values that were provided by the independent valuation firm.

The Company may also look to private merger and acquisition statistics, public trading multiples adjusted for illiquidity and other factors, valuations implied by third-party investments in the businesses or industry practices in determining fair value. The Company may also consider the size and scope of a business and its specific strengths and weaknesses, as well as any other factors it deems relevant in assessing the value.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation on Investments

The Company will measure realized gains or losses as the difference between the net proceeds from the sale, repayment, or disposal of an asset and the amortized cost basis of the asset, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation on investments will reflect the change in asset values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Securities

The accounting records of the Company are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized appreciation on investments, including unrealized foreign currency gain (loss)" in the Company's condensed consolidated statements of operations.

Income Recognition

Interest Income – Interest income from loans and debt securities is recorded on an accrual basis to the extent that the Company expects to collect such amounts. The Company does not accrue as a receivable interest on loans and debt securities for accounting purposes if it has reason to doubt its ability to collect such interest.

The Company places loans on non-accrual status when principal and interest are past due 90 days or more or when there is a reasonable doubt that the Company will collect principal or interest. Accrued interest is generally reversed when a loan is placed on non-accrual. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are generally restored to accrual status when past due principal and interest amounts are paid and, in management's judgment, are likely to remain current. Since inception, the Company has not experienced any past due payments on any of its loan investments.

PIK Interest Income - PIK interest income is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as interest income and capitalized to the principal balance of the respective PIK Note. Such income is accrued only to the extent that the Company believes that the PIK interest income is probable of being collected. PIK interest capitalized to the principal balance is generally collected upon maturity of the respective PIK Note.

Dividend Income – Dividend income is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. Each distribution received from an equity investment is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments as dividend income unless there are sufficient current or accumulated earnings prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

PIK Dividend Income - PIK dividend income is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as dividend income and capitalized to the principal balance of the preferred equity. Such income is accrued only to the extent that the Company believes that the PIK dividend income is probable of being collected. PIK dividends capitalized to the principal balance are generally collected upon redemption of the equity.

Paid in Capital

The Company records the proceeds from the sale of its common shares on a net basis to (i) capital shares at par value and (ii) paid in capital in excess of par value, excluding upfront selling commissions and dealer manager fees.

Share Repurchases

Under the Company's share repurchase program (the "Share Repurchase Program"), shares are redeemed as of the repurchase date, which will generally be the last business day of the month of a calendar quarter. Shares redeemed are retired and not available for reissue. See Note 7. "Capital Transactions" included in this supplement for additional information.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager.

Distribution and Shareholder Servicing Fees

The Company pays distribution and shareholder servicing fees with respect to its Class T and Class D shares, as described further below in Note 5. "Related Party Transactions" included in this supplement. The Company records the distribution and shareholder servicing fees, which accrue daily, in the Company's condensed consolidated statements of operations as they are incurred.

Deferred Financing Costs

Financing costs, including upfront fees, commitment fees and legal fees related to borrowings (as further described in Note 8. "Borrowings") are deferred and amortized over the life of the related financing instrument using the effective yield method. The amortization of deferred financing costs is included in general and administrative expense in the Company's condensed consolidated statements of operations.

Allocation of Profit and Loss

Class-specific expenses, including base management fees, total return incentive fees, offering expenses, expense support (reimbursement), distribution and shareholder servicing fees and certain transfer agent fees, are allocated to each share class of common shares in accordance with how such expenses are attributable to the particular share classes, as determined by the Company's board of directors, the Company's governing agreements and, in certain cases, expenses which are specifically identifiable to a share class.

The following table reflects class-specific expenses by share class during the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 273	$ 1,600	$ 424	$ 545	$ 2,783	$ 140
Total return incentive fees	669	3,668	924	1,263	6,270	285
Offering expenses	—	39	88	16	467	—
Expense support	(73)	(675)	(107)	(216)	(2,672)	(140)
Other class-specific expenses [1]	8	42	220	143	222	5

	Six Months Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 541	$ 3,069	$ 834	$ 1,068	$ 5,285	$ 273
Total return incentive fees	939	3,668	924	1,263	6,270	403
Offering expenses	—	97	145	32	876	—
Expense support	(73)	(675)	(107)	(216)	(2,672)	(149)
Other class-specific expenses [1]	16	82	442	288	435	11

	Quarter Ended June 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 254	$ 965	$ 385	$ 430	$ 2,049	$ 125
Total return incentive fees	424	1,209	444	456	2,566	174
Offering expenses	—	113	14	34	124	—
Expense support	—	—	—	—	(79)	21
Other class-specific expenses [1]	9	35	221	124	53	6

	Six Months Ended June 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
Base management fees	$ 519	$ 1,815	$ 790	$ 844	$ 4,006	$ 252
Total return incentive fees	818	2,167	839	895	4,696	343
Offering expenses	—	212	30	51	248	—
Expense support	—	—	—	—	(336)	(17)
Other class-specific expenses [1]	18	69	448	241	106	12

[1] Other class-specific expenses consist of distribution and shareholder servicing fees and certain transfer agent fees.

Income and expenses which are not class-specific are allocated monthly pro rata among the share classes based on shares outstanding as of the end of the month.

Net Investment Income per Share and Net Increase in Net Assets Resulting from Operations per Share

Net investment income per share and net increase in net assets resulting from operations per share are calculated for each share class of common shares based upon the weighted average number of common shares outstanding during the reporting period.

Distributions

The Company's board of directors has declared and intends to continue to declare distributions based on monthly record dates. The Company's distributions are paid in the same month as the declared record date. Distributions are made on all classes of the Company's shares at the same time.

The Company has adopted a distribution reinvestment plan that provides for reinvestment of distributions on behalf of shareholders. Non-founder shareholders participating in the distribution reinvestment plan will have their cash distribution automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable at a price per share equivalent to the then current public offering price, net of up-front selling commissions and dealer manager fees. Cash distributions paid on Class FA shares participating in the distribution reinvestment plan are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

Income Taxes

Under GAAP, the Company is subject to the provisions of ASC 740, "Income Taxes." The Company follows the authoritative guidance on accounting for uncertainty in income taxes and concluded it has no material uncertain tax positions to be recognized at this time. If applicable, the Company will recognize interest and penalties related to unrecognized tax benefits as income tax expense in the Company's condensed consolidated statements of operations.

The Company has operated and expects to continue to operate so that it will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation. Generally, if the Company were otherwise treated as a publicly traded partnership, the Company would not be taxable as a corporation if 90% or more of its gross income for each taxable year consists of "qualifying income" (generally, interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items) and the Company is not required to register under the Investment Company Act (the "qualifying income exception"). As a partnership, the individual shareholders are responsible for their proportionate share of the Company's taxable income.

The Company holds certain equity investments in taxable subsidiaries (the "Taxable Subsidiaries"). The Taxable Subsidiaries permit the Company to hold equity investments in portfolio companies which are "pass through" entities for tax purposes. The Taxable Subsidiaries are not consolidated with the Company for income tax purposes and may generate income tax expense, benefit, and the related tax assets and liabilities, as a result of the Taxable Subsidiaries' ownership of certain portfolio investments. The income tax expense, or benefit, and related tax assets and liabilities of the Taxable Subsidiaries are reflected in the Company's condensed consolidated financial statements. See Note 9. "Income Taxes" included in this supplement for additional information.

During the quarter and six months ended June 30, 2025 and 2024, the Company did not incur any material interest or penalties. Tax years ending December 31, 2021 and forward remain subject to examination by taxing authorities.

Segment Reporting

The Company operates through a single operating and reporting segment with an investment objective to generate both current income and capital appreciation through debt and equity investments. The chief operating decision maker (the "CODM") is comprised of the Company's chief operating officer and the CODM assesses the performance and makes operating decisions of the Company on a consolidated basis primarily based on the Company's net increase in net assets resulting from operations ("net income"). In addition to numerous other factors and metrics, the CODM utilizes net income, net assets and total return as key metrics in determining the amount of dividends to be distributed to the Company's shareholders. As the Company's operations comprise of a single reporting segment, the segment assets are reflected on the accompanying consolidated statement of assets and liabilities as "total assets" and the significant segment expenses are listed on the accompanying consolidated statement of operations.

Reclassifications

Certain reclassifications have been made to the condensed consolidated statement of operations for the quarter and six months ended June 30, 2024 to conform with the current year presentation. There was no impact on the Company's consolidated net income, net change in net assets resulting from operations, net cash used in operations or net cash provided by financing activities as a result of the reclassifications.

Recently Adopted and Issued Accounting Standards Updates

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 intends to improve reportable segment disclosure requirements, enhance interim disclosure requirements and provide new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods with fiscal years beginning after December 15, 2024. ASU 2023-07 is to be adopted retrospectively to all prior periods presented. We adopted this standard for the year ended December 31, 2024.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 intends to improve the transparency of income tax disclosures. ASU 2023-09 will be effective for the Company in its income tax disclosure included in its Annual Report on Form 10-K for the year ending December 31, 2025. The Company will review the extent of new disclosures necessary in the coming quarters, prior to implementation of quarterly disclosures during fiscal year 2026. Other than additional disclosure, we do not expect a change to our condensed consolidated financial statements.

3. Investments

In January 2025, the Company made an additional equity investment in Madison Retirement Holdings TopCo, LLC ("MAP") of $4.0 million to purchase the equity interests of a minority shareholder of the portfolio company.

In February 2025, the Company made an additional equity investment in Clarion Safety Systems, LLC ("Clarion") of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates and ID plates and flexible labels utilized by Original Equipment Manufacturers and other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

In April 2025, the Company made an additional investment in LOCI Topco Limited ("LBR") of approximately $25.8 million to partially finance the merger of LBR and ALM Global LLC ("ALM"). ALM was founded in 1979 and is headquartered in New York, New York. Through its leading Law.com platform, ALM offers a global legal newsroom for professionals utilizing proprietary data intelligence, expert analysis and industry insights serving both the practice and business of law. ALM, in combination with LBR, creates a newly formed group uniquely positioned to serve clients globally by combining ALM's deep U.S. market penetration with LBR's strong U.K. and global presence.

In June 2025, the Company acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million. IFPG is a membership-based organization serving more than 1,300 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business.

In June 2025, the Company made an additional equity investment in Milton Industries Inc ("Milton") of approximately $2.3 million.

The Company's investment portfolio is summarized as follows as of June 30, 2025 and December 31, 2024 (in thousands):

	As of June 30, 2025			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 89,990	$ 89,990	6.6 %	6.9 %
Secured	148,452	148,452	10.9	11.2
Second lien	76,718	76,718	5.6	5.8
PIK notes	18,282	18,855	1.4	1.4
Total senior secured debt	333,442	334,015	24.5	25.3
Equity				
Preferred	73,112	78,338	5.8	5.9
Common	647,900	950,238	69.7	72.0

Total equity	721,012	1,028,576	75.5	77.9
Total investments	**$ 1,054,454**	**$ 1,362,591**	**100.0 %**	**103.2 %**

	As of December 31, 2024			
Asset Category	**Amortized Cost[1]**	**Fair Value**	**Fair Value Percentage of Investment Portfolio**	**Fair Value Percentage of Net Assets**
Senior secured debt				
First lien	$ 66,990	$ 66,990	5.9 %	5.4 %
Secured	148,576	148,576	13.0	12.1
Second lien	76,718	76,718	6.7	6.2
Total senior secured debt	292,284	292,284	25.6	23.7
Equity				
Preferred	62,070	61,155	5.4	5.0
Common	538,586	787,420	69.0	64.0
Total equity	600,656	848,575	74.4	69.0
Total investments	**$ 892,940**	**$ 1,140,859**	**100.0 %**	**92.7 %**

FOOTNOTE:

(1) The amortized cost represents the original cost adjusted for PIK interest and dividends.

Collectively, the Company's debt investments accrue interest at a weighted average per annum rate of 14.0% and have weighted average remaining years to maturity of 4.4 years as of June 30, 2025. The note purchase agreements contain customary covenants and events of default. As of June 30, 2025, all of the Company's portfolio companies were in compliance with their respective debt covenants. As of June 30, 2025 and December 31, 2024, none of the Company's debt investments were on non-accrual status.

The industry dispersion of the Company's portfolio company investments, based on fair value, as of June 30, 2025 and December 31, 2024 were as follows:

Industry	**June 30, 2025**	**December 31, 2024**
Healthcare Supplies	14.1 %	17.0 %
Commercial and Professional Services	11.3	13.0
Insurance Services[1]	11.2	—
Engineered Products	10.6	12.4
Retirement Plan Services	9.4	10.1
Legal Services[2]	9.3	—
Visual Safety Solutions	8.7	7.9
Franchise Consulting Services	8.3	—
Information Services and Advisory Solutions	5.9	12.2
Real Estate Services	5.4	6.3
Sanitation Products	3.7	4.7
Hobby Goods and Supplies	2.1	2.5

Business Services	—	13.9
Total	100.0 %	100.0 %

FOOTNOTE:

(1) Included in Business Services industry as of December 31, 2024. The Company disaggregated this category as of June 30, 2025.

(2) Included in Business Services and Information Services and Advisory Solutions industries as of December 31, 2024. The Company disaggregated these categories as of June 30, 2025.

Summarized Portfolio Company Financial Information

The Company had two significant portfolio companies in which it owned a controlling equity interest during the quarter and six months ended June 30, 2025 and 2024. The following tables present unaudited summarized operating data for the quarter and six months ended June 30, 2025 and 2024, and summarized balance sheet data as of June 30, 2025 (unaudited) and December 31, 2024 for these portfolio companies (in thousands):

Clarion

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 8,764	$ 4,164	$ 15,278	$ 8,557
Expenses	(7,122)	(3,463)	(13,489)	(7,106)
Income before taxes	1,642	701	1,789	1,451
Income tax expense	(450)	(197)	(491)	(405)
Net income	$ 1,192	$ 504	$ 1,298	$ 1,046

	As of June 30, 2025	As of December 31, 2024
Current assets	$ 13,057	$ 7,124
Non-current assets	83,546	74,214
Current liabilities	2,283	2,551
Non-current liabilities	22,921	22,680
Stockholders' equity	71,399	56,107
Ownership percentage[(1)]	95 %	96 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

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	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	$ 10,663	$ 4,572	$ 21,845	$ 8,245
Expenses	(9,365)	(5,446)	(17,649)	(9,669)
Income (loss) before taxes	1,298	(874)	4,196	(1,424)
Income tax (expense) benefit	(78)	(253)	(702)	680
Net income (loss)	$ 1,220	$ (1,127)	$ 3,494	$ (744)

	As of June 30, 2025	As of December 31, 2024
Current assets	$ 14,846	$ 12,039
Non-current assets	106,603	107,938
Current liabilities	4,449	5,585
Non-current liabilities	19,359	18,908
Stockholders' equity	97,641	95,484
Ownership percentage[1]	93 %	93 %

FOOTNOTE:

(1) Represents the Company's undiluted ownership percentage as of the end of the period presented, rounded to the nearest percent.

4. Fair Value of Financial Instruments

The Company's investments were categorized in the fair value hierarchy described in Note 2. "Significant Accounting Policies," as follows as of June 30, 2025 and December 31, 2024 (in thousands):

	As of June 30, 2025				As of December 31, 2024			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Senior Debt	$ —	$ —	$ 334,015	$ 334,015	$ —	$ —	$ 292,284	$ 292,284
Equity	—	—	1,028,576	1,028,576	—	—	848,575	848,575
Total Investments	**$ —**	**$ —**	**$ 1,362,591**	**$ 1,362,591**	**$ —**	**$ —**	**$ 1,140,859**	**$ 1,140,859**

The ranges of unobservable inputs used in the fair value measurement of the Company's Level 3 investments as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	As of June 30, 2025				
Asset Group	**Fair Value**	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)[1]**	**Impact to Valuation from an Increase in Input[2]**
Senior Debt	$ 311,015	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.5% – 16.0% (13.5%) 5.9x – 20.0x (12.4x)	Decrease Increase
	23,000	Transaction Precedent	Transaction Price	N/A	N/A
Equity	938,076	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.5% – 16.0% (13.5%) 5.9x – 20.0x (12.4x)	Decrease Increase
	90,500	Transaction Precedent	Transaction Price	N/A	N/A
Total	**$ 1,362,591**				

As of December 31, 2024

Asset Group	Fair Value	Valuation Techniques	Unobservable Inputs	Range (Weighted Average)[1]	Impact to Valuation from an Increase in Input[2]
Senior Debt	$ 292,284	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Equity	848,575	Discounted Cash Flow Market Comparables Transaction Method	Discount Rate EBITDA Multiple	10.8% – 16.0% (13.4%) 6.3x – 21.7x (12.4x)	Decrease Increase
Total	**$ 1,140,859**				

FOOTNOTES:

(1) Discount rates are relative to the enterprise value of the portfolio companies and are not the market yields on the associated debt investments. Unobservable inputs were weighted by the relative fair value of the investments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the input would have the opposite effect. Significant changes in these inputs in isolation could result in significantly higher or lower fair value measurements.

The preceding tables include the significant unobservable inputs as they relate to the Company's determination of fair values for its investments categorized within Level 3 as of June 30, 2025 and December 31, 2024. In addition to the techniques and inputs noted in the tables above, according to the Company's valuation policy, the Company may also use other valuation techniques and methodologies when determining the fair value estimates for the Company's investments. Any significant increases or decreases in the unobservable inputs would result in significant increases or decreases in the fair value of the Company's investments.

Investments that do not have a readily available market value are valued utilizing a market approach, an income approach (i.e. discounted cash flow approach), a transaction approach, or a combination of such approaches, as appropriate. The market approach uses prices, including third party indicative broker quotes, and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The transaction approach uses pricing indications derived from recent precedent merger and acquisition transactions involving comparable target companies. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) that are discounted based on a required or expected discount rate to derive a present value amount range. The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors the Company may take into account to determine the fair value of its investments include, as relevant: available current market data, including an assessment of the credit quality of the security's issuer, relevant and applicable market trading and transaction comparables, applicable market yields and multiples, illiquidity discounts, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, data derived from merger and acquisition activities for comparable companies, and enterprise values, among other factors.

The following tables provide a reconciliation of investments for which Level 3 inputs were used in determining fair value for the six months ended June 30, 2025 and 2024 (in thousands):

	Six Months Ended June 30, 2025		
	Senior Debt	Equity	Total
Fair value balance as of January 1, 2025	$ 292,284	$ 848,575	$ 1,140,859
Additions	40,918	118,153	159,071
Principal repayment	(125)	—	(125)
PIK interest and dividends	364	3,188	3,552
Return of capital[(1)]	—	(984)	(984)
Net change in unrealized appreciation, including unrealized foreign currency gain	574	59,644	60,218
Fair value balance as of June 30, 2025	$ 334,015	$ 1,028,576	$ 1,362,591
Change in net unrealized appreciation on investments held as of June 30, 2025	$ 574	$ 59,644	$ 60,218

	Six Months Ended June 30, 2024		
	Senior Debt	Equity	Total
Fair value balance as of January 1, 2024	$ 276,158	$ 600,685	$ 876,843
Additions	1,376	92,032	93,408
Principal repayment	(125)	—	(125)
Return of capital[(1)]	—	(592)	(592)
Net change in unrealized appreciation	—	36,469	36,469
Fair value balance as of June 30, 2024	$ 277,409	$ 728,594	$ 1,006,003
Change in net unrealized appreciation on investments held as of June 30, 2024	$ —	$ 36,469	$ 36,469

FOOTNOTE:

(1) Represents portion of distributions received which were accounted for as a return of capital. See Note 2. “Significant Accounting Policies” included in this supplement for information on the accounting treatment of distributions from portfolio companies.

5. Related Party Transactions

The Manager and Sub-Manager, along with certain affiliates of the Manager or Sub-Manager, receive fees and compensation in connection with the Public Offerings, as well as the acquisition, management and sale of the assets of the Company, as follows:

Managing Dealer

Commissions — The Company pays CNL Securities Corp. (the “Managing Dealer”), an affiliate of the Manager, a selling commission up to 6.00% of the sale price for each Class A share and 3.00% of the sale price for each Class T share sold in the Public Offerings (excluding sales pursuant to the Company’s distribution reinvestment plan). The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.

Dealer Manager Fee — The Company pays the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and 1.75% of the price of each Class T share sold in the Public Offerings (excluding sales pursuant to the Company’s distribution reinvestment plan). The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.

Distribution and Shareholder Servicing Fee — The Company pays the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to its Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of its current net asset value per share, as disclosed in its periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee accrues daily and is paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fee is an ongoing fee, subject to certain limits, that is allocated among all Class T and Class D shares, respectively, and is not paid at the time of purchase.

Manager and/or Sub-Manager

Offering Costs — The Company reimburses the Manager and the Sub-Manager, along with their respective affiliates, for the offering costs (other than selling commissions and dealer manager fees) they have incurred on the Company's behalf only to the extent that such expenses do not exceed 1.5% of the cumulative gross proceeds from the Public Offerings. The Company incurred an obligation to reimburse the Manager and Sub-Manager for offering costs based on actual amounts raised through the Public Offerings of approximately $0.6 million and $0.3 million during the quarter ended June 30, 2025 and 2024, respectively, and approximately $1.2 million and $0.5 million during the six months ended June 30, 2025 and 2024, respectively.

Base Management Fee to Manager and Sub-Manager — The Company pays each of the Manager and the Sub-Manager 50% of the total base management fee for their services under the Management Agreement and the Sub-Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement described below. The Company incurred base management fees of approximately $5.8 million and $4.2 million for the quarter ended June 30, 2025 and 2024, respectively, and approximately $11.1 million and $8.2 million during the six months ended June 30, 2025 and 2024, respectively.

The base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares of a particular class, 2% of the product of (x) the Company's average gross assets and (y) the ratio of Non-founder shares Average Adjusted Capital (as defined below), for a particular class to total Average Adjusted Capital and (ii) for the Founder shares of a particular class, 1% of the product of (x) the Company's average gross assets and (y) the ratio of outstanding Founder shares Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears. The management fee for a certain month is calculated based on the average value of the Company's gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets reflects changes in the fair market value of the Company's assets, which does not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation or depreciation. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below. For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. "Adjusted Capital" is defined as cumulative proceeds generated from sales of the Company's shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of upfront selling commissions and dealer manager fees ("sales load"), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, and adjusted for share conversions, if any, for such class.

Total Return Incentive Fee on Income to the Manager and Sub-Manager — The Company also pays each of the Manager and the Sub-Manager 50% of the total return incentive fee for their services under the Management Agreement and the Sub-Management Agreement. The Company recorded total return incentive fees of approximately $13.1 million and $5.3 million for the quarter ended June 30, 2025 and 2024, respectively, and approximately $13.5 million and $9.8 million during the six months ended June 30, 2025 and 2024, respectively.

The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. The Company will accrue (but not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annualized basis. The Company will perform a final reconciliation of the total return incentive fee calculation at the completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement described below.

For purposes of this calculation, "Total Return to Shareholders" for each annualized period is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of each calendar month end.

The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" means the Total Return to Shareholders specifically attributable to each particular share class of Non-founder shares or Founder shares, as applicable. The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annualized Total Return to Shareholders of a particular share class does not exceed 7% (the "Annual Preferred Return").
- As it relates to the Non-founder shares, all of the Total Return to Shareholders with respect to each particular share class of Non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "Non-founder breakpoint," in any calendar year, will be payable to the Manager ("Non-founder Catch Up"). The Non-Founder Catch Up is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular share class once the Total Return to Non-founder Shareholders of a particular class exceeds 8.75% in any calendar year.
- As it relates to Founder shares, all of the Total Return to Founder Shareholders with respect to each particular share class of Founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager ("Founder Catch Up"). The Founder Catch Up is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class once the Total Return to Founder Shareholders of a particular class exceeds 7.777% in any calendar year.
- For any annualized period in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for Non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for Founder shares, 10% of the Total Return to Founder Shareholders of a particular class, in each case because the annual preferred and relevant catch ups will have been achieved.
- For purposes of calculating the Total Return to Shareholders, the change in the Company's net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the Company since inception, adjusted for any special distributions resulting from the sale of the Company's assets, provided such adjustment is approved by the Company's board of directors. If, as of each calendar year end, the Company's net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in the Company's net asset value for such share class in excess of the High Water Mark, and (B) if the Company's net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in the Company's per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in the Company's per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. With respect to the calculation of Total Return to Shareholders, the following tables provides the applicable High Water Marks for the years ended December 31, 2025 and 2024:

For the year ended:	Class FA	Class A	Class T	Class D	Class I	Class S
December 31, 2025	$ 39.55	$ 35.68	$ 35.72	$ 35.42	$ 36.12	$ 40.09
December 31, 2024	36.67	33.57	33.64	33.31	34.06	37.25

For purposes of this calculation, "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable period. The annual preferred return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar month end.

Reimbursement to Manager and Sub-Manager for Operating Expenses and Pursuit Costs — The Company reimburses the Manager and the Sub-Manager and their respective affiliates for certain third party operating expenses and pursuit costs incurred in connection with their provision of services to the Company, including fees, costs, expenses, liabilities and obligations relating to the Company's activities, acquisitions, dispositions, financings and business, subject to the terms of the Company's limited liability company agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement (as defined below). The Company does not reimburse the Manager and Sub-Manager for administrative services performed by the Manager or Sub-Manager for the benefit of the Company.

Expense Support and Conditional Reimbursement Agreement — The Company entered into an expense support and conditional reimbursement agreement with the Manager and the Sub-Manager, as amended, (the "Expense Support and Conditional Reimbursement Agreement"), which became effective on February 7, 2018, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that the Company's annual regular cash distributions exceed its annual net income (with certain adjustments). The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of the Company's distribution reinvestment plan) to shareholders minus (b) the available operating funds, as defined in the Expense Support and Conditional Reimbursement Agreement (the "Expense Support").

The Expense Support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. Until the Expense Support and Conditional Reimbursement Agreement is terminated, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable, to the Manager or the Sub-Manager. Expense support is paid by the Manager and Sub-Manager annually in arrears.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), the Company uses such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to certain conditions (the "Conditional Reimbursements") as described further in the Expense Support and Conditional Reimbursement Agreement. The Company's obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Since inception, the Company has received cumulative Expense Support of approximately $5.1 million. Of the Expense Support received through June 30, 2025, approximately $4.9 million had been reimbursed and approximately $0.2 million was no longer eligible for reimbursement. As of June 30, 2025, approximately less than $0.1 million of Expense Support collected from the Manager and Sub-Manager is subject to reimbursement.

Distributions

Individuals and entities affiliated with the Manager and Sub-Manager owned approximately 0.4 million shares as of June 30, 2025 and 2024. These individuals and entities received distributions from the Company of approximately $0.1 million for each of the quarter ended June 30, 2025 and 2024, and approximately $0.2 million during each of the six months ended June 30, 2025 and 2024.

Related party fees and expenses incurred for the quarter and six months ended June 30, 2025 and 2024 are summarized below (in thousands):

		Quarter Ended June 30,		Six Months Ended June 30,	
Related Party	**Source Agreement & Description**	**2025**	**2024**	**2025**	**2024**
Managing Dealer	Managing Dealer Agreement:				
	Commissions[1]	$ 155	$ 534	$ 285	$ 1,042
	Dealer manager fees[1]	90	75	162	159
	Distribution and shareholder servicing fees[2]	334	319	671	637
Manager and Sub-Manager	Management Agreement and Sub-Management Agreement:				
	Offering expense reimbursement[3][4]	610	285	1,150	541
	Base management fees[3]	5,765	4,208	11,070	8,226
	Total return incentive fees[3]	13,079	5,273	13,467	9,758
Manager and Sub-Manager	Expense Support and Conditional Reimbursement Agreement: Expense Support	(3,883)	(58)	(3,892)	(353)
Manager	Administrative Services Agreement:				
	Reimbursement of third-party operating expenses[3][5]	48	219	89	247
	Shareholder servicing fees[2]	163	—	317	—
Sub-Manager	Sub-Management Agreement:				
	Reimbursement of third-party pursuit costs[3][6]	274	497	691	1,002

FOOTNOTES:

(1) Included in "Issuance of common shares through the Public Offerings" in the Company's condensed consolidated statements of changes in net assets.

(2) Included in "Distribution and shareholder servicing fees" in the Company's condensed consolidated statements of operations.

(3) Expenses subject to Expense Support, if applicable.

(4) Offering expense reimbursements are capitalized on the Company's condensed consolidated statements of assets and liabilities as deferred offering expenses and expensed to the Company's condensed consolidated statements of operations over the lesser of the offering period or 12 months.

(5) Included in "Professional services" in the Company's condensed consolidated statements of operations.

(6) Includes reimbursement of third-party fees incurred for investments that did not close, including fees and expenses associated with performing due diligence reviews.

The following table presents amounts due to related parties net as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Due from related parties:		
Expense Support	$ 3,892	$ 20
Total due from related parties	3,892	20
Due to related parties:		
Total return incentive fees	$ (13,467)	$ (24,119)
Base management fees	(1,990)	(1,758)
Offering expenses	(187)	(138)
Distribution and shareholder servicing fees	(109)	(115)

Reimbursement of third-party operating expenses and pursuit costs	(611)	(276)
Total due to related parties	$ (16,364)	$ (26,406)
Due to related parties, net	$ (12,472)	$ (26,386)

6. Distributions

The Company's board of directors declared distributions on a monthly basis in each of the six months ended June 30, 2025 and 2024 (six record dates). The following table reflects the total distributions declared during the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Six Months Ended June 30,					
	2025			2024		
Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]	Distributions Declared[1][2]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested[2]
First Quarter	$ 10,372	$ 5,175	$ 5,197	$ 8,807	$ 4,056	$ 4,751
Second Quarter	10,547	5,335	5,212	9,214	4,344	4,870
	$ 20,919	$ 10,510	$ 10,409	$ 18,021	$ 8,400	$ 9,621

FOOTNOTES:

(1) The Company's board of directors declared distributions per share on a monthly basis. See Note 12. "Financial Highlights" included in this supplement for distributions declared by share class. Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2025 - June 30, 2025	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2024 - June 30, 2024	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

The sources of declared distributions on a GAAP basis were as follows (in thousands):

	Six Months Ended June 30,			
	2025		2024	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income[1]	$ 9,266	44.3 %	$ 9,987	55.4 %
Distributions in excess of net investment income[2]	11,653	55.7	8,034	44.6
Total distributions declared	$ 20,919	100.0 %	$ 18,021	100.0 %

FOOTNOTES:

(1) Net investment income includes Expense Support of $3,892 and $353 for the six months ended June 30, 2025 and 2024, respectively. See Note 5. "Related Party Transactions" included in this supplement for additional information.

(2) Consists of distributions made from offering proceeds for the periods presented.

In June 2025, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on July 25, 2025 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

7. Capital Transactions

Public Offerings

Under the Second Follow-On Public Offering, the Company has offered and continues to offer up to $1.0 billion of shares, on a best efforts basis, which means that CNL Securities Corp., as the Managing Dealer of the Second Follow-On Public Offering, uses its best effort but is not required to sell any specific amount of shares. The Company is offering, in any combination, four classes of shares in the Second Follow-On Public Offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in shares. There are differing selling fees and commissions for each share class. The Company also pays distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding sales pursuant to the Company's distribution reinvestment plan). The public offering price, selling commissions and dealer manager fees per share class are determined monthly as approved by the Company's board of directors. As of June 30, 2025, the public offering price was $39.92 per Class A share, $38.30 per Class T share, $36.25 per Class D share and $37.01 per Class I share.

The Company is also offering, in any combination, up to $100.0 million of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to its distribution reinvestment plan.

See Note 13. "Subsequent Events" included in this supplement for additional information related to the Public Offerings.

The following tables summarize the total shares issued and proceeds received by share class in connection with the Public Offerings, excluding shares repurchased through the Share Repurchase Program described further below, for the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Six Months Ended June 30, 2025								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	14	$ 538	$ (42)	$ 496	101	$ 3,647	115	$ 4,143	$ 35.96
Class T	242	9,139	(405)	8,734	23	817	265	9,551	36.10
Class D	40	1,415	—	1,415	29	1,027	69	2,442	35.67
Class I	1,475	53,734	—	53,734	138	5,019	1,613	58,753	36.42
	1,771	$ 64,826	$ (447)	$ 64,379	291	$ 10,510	2,062	$ 74,889	$ 36.33

	Six Months Ended June 30, 2024								
	Proceeds from Public Offerings				Distributions Reinvested		Total		
Share Class	Shares Issued	Gross Proceeds	Sales Load[1]	Net Proceeds to Company	Shares Issued	Proceeds to Company	Shares Issued	Net Proceeds to Company	Average Net Proceeds per Share
Class A	1,238	$ 42,696	$ (926)	$ 41,770	72	$ 2,427	1,310	$ 44,197	$ 33.77
Class T	169	6,007	(275)	5,732	26	889	195	6,621	33.82
Class D	305	10,227	—	10,227	27	910	332	11,137	33.56
Class I	1,466	50,219	—	50,219	122	4,174	1,588	54,393	34.25
	3,178	$ 109,149	$ (1,201)	$ 107,948	247	$ 8,400	3,425	$ 116,348	$ 33.98

FOOTNOTE:

(1) The Company incurs selling commissions and dealer manager fees on the sale of Class A and Class T shares sold through the Public Offerings. See Note 5. "Related Party Transactions" included in this supplement for additional information regarding up-front selling commissions and dealer manager fees.

Share Repurchase Program

In accordance with the Share Repurchase Program, the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares is limited to up to 2.5% of the aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). At the sole discretion of the Company's board of directors, the Company may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

During the six months ended June 30, 2025 and 2024, the Company received requests for the repurchase of approximately $29.8 million and $26.6 million, respectively, of the Company's common shares. The Company's board of directors approved the repurchase requests.

The following table summarizes the shares repurchased during the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	115	$ 4,610	$ 39.92
Class A	94	3,430	36.21
Class T	33	1,185	36.29
Class D	108	3,817	35.68
Class I	446	16,293	36.54
Class S	10	422	40.80
Six Months Ended June 30, 2025	806	$ 29,757	$ 36.92

	Shares Repurchased	Total Consideration	Average Price Paid per Share
Class FA	109	$ 4,059	$ 36.99
Class A	76	2,536	33.80
Class T	113	3,814	33.76
Class D	49	1,633	33.59
Class I	400	13,737	34.32
Class S	20	777	37.89
Six Months Ended June 30, 2024	767	$ 26,556	$ 34.62

As of June 30, 2025 and December 31, 2024, the Company had a payable for shares repurchased of approximately $11.2 million and $19.2 million, respectively, which were paid in July and January 2025, respectively.

Share Conversions

Class T and Class D shares are converted into Class A shares once the maximum amount of distribution and shareholder servicing fees for those particular shares has been met. The shares to be converted are multiplied by the applicable conversion rate, the numerator of which is the net asset value per share of the share class being converted and the denominator of which is the net asset value per Class A share.

During the six months ended June 30, 2025, approximately 583,000 Class T shares were converted to approximately 582,000 Class A shares at an average conversion rate of 1.00. During the six months ended June 30, 2024, approximately 160,000 Class T shares were converted to approximately 161,000 Class A shares at an average conversion rate of 1.00.

8. Borrowings

In February 2024, CNL Strategic Capital B, Inc. ("Borrower"), a wholly-owned subsidiary of the Company, and Valley National Bank, entered into a Revolving Loan Agreement (the "2024 Loan Agreement") for a $50.0 million revolving line of credit (the "2024 Line of Credit"). In connection with the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.2 million. The Borrower is required to pay interest on any borrowed amounts under the 2024 Line of Credit at a rate per year equal to the 1-Month Term SOFR plus 2.75%. Interest payments are due on the first calendar day of the month in arrears. Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of 0.15% on the difference between (i) total 2024 Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the 2024 Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the 2024 Loan Agreement at any time and such borrowings are required to be repaid within 180 days of the borrowing date. Under the 2024 Loan Agreement, the Company is required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by the Company.

In February 2024, the Company entered into a Guaranty agreement to act as a guarantor of the Borrower's outstanding borrowings under the 2024 Loan Agreement (the "Guaranty Agreement"). On February 15, 2024, the Borrower and the Company also entered into a pledge and assignment of bank and deposit accounts ("2024 Pledge Agreement") in favor of Valley National Bank. Under the 2024 Pledge Agreement, the Company is required to maintain accounts with Valley National Bank, including to contribute proceeds from the Company's offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the 2024 Loan Agreement.

In February 2025, the Company amended the 2024 Loan Agreement and related promissory note with Valley National Bank for the 2024 Line of Credit to extend the revolving maturity date to February 15, 2026. The amendment additionally grants Valley National Bank the ability to increase the maximum commitment an additional $50.0 million at their discretion. In connection with the extension of the 2024 Line of Credit, the Borrower paid a total commitment fee and Valley National Bank expenses of $0.1 million.

The amount outstanding under the 2024 Line of Credit as of June 30, 2025 and December 31, 2024 was $30.0 million and $0.0 million, respectively. The 2024 Loan Agreement contains certain nonfinancial and financial covenants, including a minimum net asset ratio. As of each of June 30, 2025 and December 31, 2024, the Company was in compliance with all such covenants.

9. Income Taxes

The Company incurs income tax expense related to its Taxable Subsidiaries. The components of income tax expense were as follows during the quarter and six months ended June 30, 2025 and 2024 (in thousands):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Current tax expense (benefit)	$ 30	$ (5)	$ 47	$ (5)
Deferred tax expense	3,640	496	5,013	1,267
Total income tax expense	$ 3,670	$ 491	$ 5,060	$ 1,262

The effective tax rate for the six months ended June 30, 2025 and 2024 was 7.3% and 2.7%, respectively. The primary items giving rise to the difference between the 21.0% federal statutory rate applicable to corporations and the effective tax rates are due to state taxes and the benefits of the partnership structure.

Significant components of the Company's deferred tax assets and liabilities as of June 30, 2025 and December 31, 2024 were as follows (in thousands):

	June 30, 2025	December 31, 2024
Deferred tax assets:		
Carryforwards of net operating loss	$ 3,764	$ 1,818
Other	65	45
Valuation allowance	(224)	(383)
Total deferred tax assets	3,605	1,480
Deferred tax liabilities:		
Unrealized appreciation on investments	(18,462)	(11,324)
Total deferred tax liabilities	(18,462)	(11,324)
Deferred tax liabilities, net	$ (14,857)	$ (9,844)

10. Concentrations of Risk

The Company had two portfolio companies which met at least one of the significance tests under Rule 10-01(b) of Regulation S-X for at least one of the periods presented in the condensed consolidated financial statements.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on the Company's results of operations and cash flows from operations, which would impact its ability to make distributions to shareholders.

11. Commitments & Contingencies

See Note 5. "Related Party Transactions" included in this supplement for information on contingent amounts due to the Manager and Sub-Manager for the reimbursement of offering costs under the Public Offerings and for the reimbursement of Expense Support.

From time to time, the Company and officers or directors of the Company may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its businesses. As of June 30, 2025, the Company was not involved in any legal proceedings.

In addition, in the normal course of business, the Company enters into contracts with its vendors and others that provide for general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company. However, based on experience, the Company expects that risk of loss to be remote.

12. Financial Highlights

The following are schedules of financial highlights of the Company attributed to each class of shares for the six months ended June 30, 2025 and 2024 (in thousands except per share data):

	Six Months Ended June 30, 2025					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 39.55**	**$ 35.68**	**$ 35.72**	**$ 35.42**	**$ 36.12**	**$ 40.09**
Net investment income, before Expense Support (reimbursement)[1]	0.55	0.13	(0.04)	0.07	0.08	0.53

	Six Months Ended June 30, 2025					
	Class FA Shares	**Class A Shares**	**Class T Shares**	**Class D Shares**	**Class I Shares**	**Class S Shares**
Expense Support (reimbursement)[1][2]	0.02	0.08	0.04	0.07	0.18	0.09
Net investment income[1]	0.57	0.21	—	0.14	0.26	0.62
Net realized and unrealized gains, net of taxes[1][3]	1.60	1.60	1.57	1.58	1.60	1.60
Net increase resulting from investment operations	**2.17**	**1.81**	**1.57**	**1.72**	**1.86**	**2.22**
Distributions to shareholders[4]	(0.63)	(0.63)	(0.50)	(0.56)	(0.63)	(0.63)
Net decrease resulting from distributions to shareholders	**(0.63)**	**(0.63)**	**(0.50)**	**(0.56)**	**(0.63)**	**(0.63)**
Net Asset Value, End of Period	**$ 41.09**	**$ 36.86**	**$ 36.79**	**$ 36.58**	**$ 37.35**	**$ 41.68**
Net assets, end of period	$ 160,316	$ 325,894	$ 79,470	$ 110,965	$ 572,321	$ 70,926
Average net assets[5]	$ 158,089	$ 285,338	$ 88,628	$ 106,764	$ 520,384	$ 68,824
Shares outstanding, end of period	3,902	8,841	2,160	3,033	15,321	1,702
Distributions declared	$ 2,481	$ 5,234	$ 1,240	$ 1,720	$ 9,175	$ 1,069
Total investment return based on net asset value before total return incentive fee[6]	6.18 %	6.30 %	5.65 %	6.10 %	6.34 %	6.18 %
Total investment return based on net asset value after total return incentive fee[6]	5.43 %	5.12 %	4.44 %	4.91 %	5.19 %	5.58 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.55 %	1.37 %	1.82 %	1.53 %	1.49 %	0.61 %
Total operating expenses	1.10 %	2.42 %	2.74 %	2.51 %	2.19 %	0.98 %
Net investment income before total return incentive fee[8]	2.03 %	1.90 %	1.04 %	1.57 %	1.93 %	2.13 %
Net investment income	1.43 %	0.61 %	— %	0.39 %	0.73 %	1.54 %

	Six Months Ended June 30, 2024					
	Class FA Shares	Class A Shares	Class T Shares	Class D Shares	Class I Shares	Class S Shares
OPERATING PERFORMANCE PER SHARE						
Net Asset Value, Beginning of Period	**$ 36.67**	**$ 33.57**	**$ 33.64**	**$ 33.31**	**$ 34.06**	**$ 37.25**
Net investment income before Expense Support (reimbursement)[1]	0.63	0.27	0.14	0.24	0.27	0.61
Expense Support (reimbursement)[1][2]	—	—	—	—	0.02	0.01
Net investment income[1]	0.63	0.27	0.14	0.24	0.29	0.62
Net realized and unrealized gains, net of taxes[1][3]	1.16	1.18	1.16	1.16	1.17	1.17
Net increase resulting from investment operations	**1.79**	**1.45**	**1.30**	**1.40**	**1.46**	**1.79**
Distributions to shareholders[4]	(0.63)	(0.63)	(0.50)	(0.56)	(0.63)	(0.63)
Net decrease resulting from distributions to shareholders	**(0.63)**	**(0.63)**	**(0.50)**	**(0.56)**	**(0.63)**	**(0.63)**
Net Asset Value, End of Period	**$ 37.83**	**$ 34.39**	**$ 34.44**	**$ 34.15**	**$ 34.89**	**$ 38.41**
Net assets, end of period	$ 153,969	$ 225,141	$ 87,854	$ 99,566	$ 463,428	$ 66,351
Average net assets[5]	$ 153,211	$ 193,949	$ 88,113	$ 91,561	$ 434,739	$ 65,669
Shares outstanding, end of period	4,070	6,546	2,551	2,915	13,283	1,728
Distributions declared	$ 2,590	$ 3,581	$ 1,302	$ 1,535	$ 7,921	$ 1,092
Total investment return based on net asset value before total return incentive fee[6]	5.45 %	5.35 %	4.89 %	5.19 %	5.37 %	5.38 %
Total investment return based on net asset value after total return incentive fee[6]	4.79 %	4.35 %	3.90 %	4.25 %	4.32 %	4.84 %
RATIOS/SUPPLEMENTAL DATA (not annualized):						
Ratios to average net assets:[5][7]						
Total operating expenses before total return incentive fee	0.62 %	1.39 %	1.73 %	1.55 %	1.30 %	0.67 %
Total operating expenses before Expense Support (reimbursement)	1.15 %	2.51 %	2.69 %	2.52 %	2.38 %	1.19 %
Total operating expenses after Expense Support (reimbursement)	1.15 %	2.51 %	2.69 %	2.52 %	2.30 %	1.16 %
Net investment income before total return incentive fee[8]	2.23 %	1.92 %	1.38 %	1.70 %	1.93 %	2.18 %
Net investment income	1.70 %	0.80 %	0.43 %	0.72 %	0.85 %	1.66 %

FOOTNOTES:

(1) The per share amounts presented are based on weighted average shares outstanding.

(2) Expense Support (reimbursement) is accrued throughout the year and is subject to a final calculation as of the last business day of the calendar year.

(3) The amount shown at this caption is the balancing figure derived from the other figures in the schedule. The amount shown at this caption for a share outstanding throughout the period may not agree with the change in the aggregate gains and losses in portfolio investments for the period because of the timing of sales and repurchases of the Company's shares in relation to fluctuating fair values for the portfolio investments.

(4) The per share data for distributions is the actual amount of distributions paid or payable per common share outstanding during the entire period; distributions per share are rounded to the nearest $0.01.

(5) The computation of average net assets during the period is based on net assets measured at each month end, adjusted for capital contributions or withdrawals during the month.

(6) Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA assumes distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class, including Class S shares which do not participate in the distribution reinvestment plan. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee described in Note 5. "Related Party Transactions" included in this supplement. See footnote (8) below for information regarding the percentage of total incentive fees covered by expense support by share class for all periods presented. Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by shareholders in the purchase of the Company's shares.

(7) Actual results may not be indicative of future results. Additionally, an individual investor's ratios may vary from the ratios presented for a share class as a whole.

(8) Amounts represent net investment income before total return incentive fee and related expense support as a percentage of average net assets. For the six months ended June 30, 2025, approximately 8% of total return incentive fees for Class FA, 18% of total return incentive fees for Class A, 11% of total return incentive fees for Class T, 17% of total return incentive fees for Class D, 43% of total return incentive fees for Class I and 37% of total return incentive fees for Class S, respectively, were covered by Expense Support. For the six months ended June 30, 2024, approximately 7% and 5% of total return incentive fees for Class I and Class S, respectively, were covered by Expense Support and none of the total return incentive fees for Class FA, Class A, Class T or Class D were covered by Expense Support.

13. Subsequent Events

Distributions

In July 2025, the Company's board of directors declared a monthly cash distribution on the outstanding shares of all classes of common shares of record on August 26, 2025 of $0.104167 per share for Class FA shares, $0.104167 per share for Class A shares, $0.083333 per share for Class T shares, $0.093750 per share for Class D shares, $0.104167 per share for Class I shares and $0.104167 per share for Class S shares.

Offerings

In July 2025, the Company's board of directors approved new per share offering prices for each share class in the Second Follow-On Public Offering. The new offering prices are effective as of July 31, 2025. The following table provides the new offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective July 31, 2025:				
Offering Price, Per Share	$ 40.28	$ 38.62	$ 36.58	$ 37.35
Selling Commissions, Per Share	2.42	1.16	—	—
Dealer Manager Fees, Per Share	1.00	0.67	—	—

Capital Transactions

During the period July 1, 2025 through August 6, 2025, the Company received additional net proceeds from the Second Follow-On Public Offering and distribution reinvestment plan of the following (in thousands except per share data):

	Proceeds from Second Follow-On Public Offering				Distribution Reinvestment Plan		Total		
Share Class	Shares	Gross Proceeds	Sales Load	Net Proceeds to Company	Shares	Gross Proceeds	Shares	Net Proceeds to Company	Average Net Proceeds per Share
Class A	1	$ 15	$ (1)	$ 14	17	$ 633	18	$ 647	$ 36.86
Class T	65	2,503	(118)	2,385	3	126	68	2,511	36.79
Class D	7	275	—	275	5	172	12	447	36.58
Class I	285	10,650	—	10,650	24	883	309	11,533	37.35
	358	$ 13,443	$ (119)	$ 13,324	49	$ 1,814	407	$ 15,138	$ 37.21

Borrowings

In July 2025 and August 2025, the Company repaid $11.3 million and $18.7 million, respectively, of the amount outstanding under the 2024 Line of Credit. As of August 6, 2025, there was no amount outstanding under the 2024 Line of Credit.

Investments

On August 1, 2025, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, sold its approximately 90% indirect equity ownership interest in the capital stock of Douglas to an unaffiliated third-party buyer for aggregate consideration of approximately $37.6 million, subject to certain customary escrow related hold-backs and post-closing adjustments. In connection with this sale, our debt investment of approximately $15.0 million in Douglas in the form of senior secured notes was repaid in full and extinguished.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 5 DATED JULY 24, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 5 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended June 30, 2025;
- certain return information for all outstanding classes of shares; and
- an update to the "Our Portfolio" Section.

Public Offering Price Adjustment

On July 24, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of July 31, 2025 and will be used for the Company's next monthly closing for subscriptions on July 31, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of June 30, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$40.28	$38.62	$36.58	$37.35
Selling Commissions, Per Share	$2.42	$1.16		
Dealer Manager Fees, Per Share	$1.00	$0.67		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On July 24, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
August 26, 2025	August 27, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended June 30, 2025

On July 24, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of June 30, 2025 (in thousands, except per share data):

Month Ended June 30, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$160,316	$325,894	$79,470	$110,965	$572,321	$70,926	$1,319,892
Number of Outstanding Shares	3,902	8,841	2,160	3,033	15,321	1,702	34,959
Net Asset Value, Per Share	$41.09	$36.86	$36.79	$36.58	$37.35	$41.68	
Net Asset Value, Per Share Prior Month	$40.70	$36.53	$36.48	$36.25	$37.01	$41.28	
Increase in Net Asset Value, Per Share from Prior Month	$0.39	$0.33	$0.31	$0.33	$0.34	$0.40	

The increase in the Company's net asset value per share for each applicable share class for the month ended June 30, 2025 was primarily driven by the increases in the fair value of eleven out of seventeen of the Company's portfolio company investments. The fair value of five of the Company's portfolio company investments decreased during the same period. The fair value of one of the Company's portfolio company investments did not change. As of June 30, 2025, the Company had total assets of approximately $1.39 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through June 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	5.4%	11.9%	34.7%	77.5%	11.0%	116.7%	February 7, 2018 – June 30, 2025
Class FA (with sales load)	-1.4%	4.6%	25.9%	66.0%	10.0%	102.6%	February 7, 2018 – June 30, 2025
Class A (no sales load)	5.1%	11.0%	31.0%	66.1%	10.0%	99.2%	April 10, 2018 – June 30, 2025
Class A (with sales load)	-3.8%	1.6%	19.8%	51.9%	8.7%	82.2%	April 10, 2018 – June 30, 2025
Class I	5.2%	10.9%	30.7%	66.2%	10.1%	101.0%	April 10, 2018 – June 30, 2025
Class T (no sales load)	4.4%	9.9%	27.8%	59.3%	9.0%	85.0%	May 25, 2018 – June 30, 2025
Class T (with sales load)	-0.5%	4.7%	21.7%	51.7%	8.3%	76.3%	May 25, 2018 – June 30, 2025
Class D	4.9%	10.6%	29.9%	64.4%	9.5%	88.6%	June 26, 2018 – June 30, 2025
Class S (no sales load)	5.6%	12.0%	35.5%	78.2%	12.2%	83.2%	March 31, 2020 – June 30, 2025
Class S (with sales load)	1.9%	8.1%	30.8%	72.0%	11.5%	76.7%	March 31, 2020 – June 30, 2025

[1] For the period from January 1, 2025 through June 30, 2025.
[2] For the period from July 1, 2024 through June 30, 2025.
[3] For the period from July 1, 2022 through June 30, 2025.
[4] For the period from July 1, 2020 through June 30, 2025.
[5] For the period from the date the first share was issued for each respective share class through June 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the six months ended June 30, 2025, sources of declared distributions on a GAAP basis were as follows:

	Six Months Ended June 30, 2025		
	Amount (in 000s)	% of Total Distributions Declared	
Net investment income[1]	$ 9,266	44.3	%
Distributions in excess of net investment income[2]	11,653	55.7	%
Total distributions declared	$ 20,919	100.0	%

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Six Months Ended June 30, 2025		
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested	
Net investment income before expense support (reimbursement)	$ 5,374	51.6	%
Expense support (reimbursement)	3,892	37.4	%
Net investment income	$ 9,266	89.0	%
Cash distributions net of distributions reinvested in excess of net investment income[2]	1,143	11.0	%
Cash distributions declared net of distributions reinvested[3]	$ 10,409	100.0	%

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $3,892 for the six months ended June 30, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the six months ended June 30, 2025, excludes $10,510 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Our Portfolio

The following disclosure is added as a new bulleted point in the sub-section entitled "Growth Opportunities" under the section "Milton Industries" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In June 2025, we made an additional equity investment in Milton of approximately $2.3 million for Milton's acquisition of Trinity Rubber & Machine Products ("Trinity") and American Hose & Gasket ("AHG"). Founded in 2014, Trinity custom manufactures industrial hoses, fittings, gaskets and other related products serving the chemical, steel, and food & beverage end markets. AHG, founded in 2019, operates as a wholesale distribution business providing low-cost industrial hoses, fittings and rubber products complementary to Trinity's custom products. We believe Milton's acquisition of Trinity and AHG will further expand Milton's market presence and revenue generation in the industrial end markets.

The following disclosure is added as a new bulleted point in the sub-section entitled "Growth Opportunities" under the section "TacMed Solutions" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In June 2025, TacMed acquired RINI Technologies ("RINI"). RINI designs, engineers and manufactures advanced thermal management solutions for military, first responder, medical and auto racing end markets. Focused on research and development, innovative products and custom customer solutions, we believe RINI has the potential to provide TacMed with additional product offerings to serve customers in its core markets, access to new markets, and expansion of TacMed's product development capabilities. RINI was founded in 2000 and is headquartered in Oviedo, Florida.

The following disclosure is added as a new bulleted point in the sub-section entitled "Growth Opportunities" under the section "MAP Retirement" contained within the "Our Portfolio" section, which appears on page 98 of the Prospectus.

- In July 2025, MAP acquired Blue Chip Retirement Plans, Inc. ("Blue Chip"), headquartered in Milwaukee, Wisconsin. Blue Chip offers specialized third-party administrator services to small to mid-size employers in designing retirement plans to fit the needs of its owners and employees.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 4 DATED JUNE 24, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 4 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended May 31, 2025;
- certain return information for all outstanding classes of shares;
- an update to the "Prospectus Summary"; and
- an update to "Our Portfolio".

Public Offering Price Adjustment

On June 20, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of June 30, 2025 and will be used for the Company's next monthly closing for subscriptions on June 30, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of May 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$39.92	$38.30	$36.25	$37.01
Selling Commissions, Per Share	$2.40	$1.15		
Dealer Manager Fees, Per Share	$0.99	$0.67		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On June 20, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
July 25, 2025	July 28, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended May 31, 2025

On June 20, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. Additionally, pursuant to our share repurchase program, we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares back to us at a price equal to the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date for our next quarterly repurchase will be June 30, 2025. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of May 31, 2025 (in thousands, except per share data):

Month Ended May 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$159,599	$314,982	$86,332	$110,318	$564,185	$70,459	$1,305,875
Number of Outstanding Shares	3,922	8,623	2,366	3,043	15,243	1,707	34,904
Net Asset Value, Per Share	$40.70	$36.53	$36.48	$36.25	$37.01	$41.28	
Net Asset Value, Per Share Prior Month	$40.46	$36.35	$36.33	$36.08	$36.83	$41.04	
Increase in Net Asset Value, Per Share from Prior Month	$0.24	$0.18	$0.15	$0.17	$0.18	$0.24	

The increase in the Company's net asset value per share for each applicable share class for the month ended May 31, 2025 was primarily driven by the increases in the fair value of twelve out of sixteen of the Company's portfolio company investments. The fair value of four of the Company's portfolio company investments decreased during the same period. As of May 31, 2025, the Company had total assets of approximately $1.33 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through May 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	4.2%	12.4%	34.0%	78.7%	11.0%	114.1%	February 7, 2018 – May 31, 2025
Class FA (with sales load)	-2.6%	5.1%	25.3%	67.1%	10.0%	100.2%	February 7, 2018 – May 31, 2025
Class A (no sales load)	3.9%	11.5%	30.3%	67.0%	9.9%	96.8%	April 10, 2018 – May 31, 2025
Class A (with sales load)	-4.9%	2.0%	19.2%	52.8%	8.6%	80.1%	April 10, 2018 – May 31, 2025
Class I	3.9%	11.2%	30.0%	67.1%	10.1%	98.6%	April 10, 2018 – May 31, 2025
Class T (no sales load)	3.3%	10.1%	27.6%	60.2%	9.0%	83.1%	May 25, 2018 – May 31, 2025
Class T (with sales load)	-1.6%	4.8%	21.6%	52.6%	8.2%	74.4%	May 25, 2018 – May 31, 2025
Class D	3.7%	11.0%	29.7%	65.4%	9.4%	86.4%	June 26, 2018 – May 31, 2025
Class S (no sales load)	4.3%	12.3%	35.4%	79.4%	12.2%	80.9%	March 31, 2020 – May 31, 2025
Class S (with sales load)	0.7%	8.4%	30.7%	73.2%	11.4%	74.6%	March 31, 2020 – May 31, 2025

[1] For the period from January 1, 2025 through May 31, 2025.
[2] For the period from June 1, 2024 through May 31, 2025.
[3] For the period from June 1, 2022 through May 31, 2025.
[4] For the period from June 1, 2020 through May 31, 2025.

[5] For the period from the date the first share was issued for each respective share class through May 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the five months ended May 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Five Months Ended May 31, 2025	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 7,701	44.4 %
Distributions in excess of net investment income[2]	9,662	55.6 %
Total distributions declared	$ 17,363	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Five Months Ended May 31, 2025	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 1,948	22.5 %
Expense support (reimbursement)	5,753	66.4 %
Net investment income	$ 7,701	88.9 %
Cash distributions net of distributions reinvested in excess of net investment income[2]	957	11.1 %
Cash distributions declared net of distributions reinvested[3]	$ 8,658	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $5,753 for the five months ended May 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the five months ended May 31, 2025, excludes $8,705 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Prospectus Summary

The following disclosure amends and restates the first paragraph in the sixth row of the table entitled "Total Return incentive fee on income to the Manager" under the second column entitled "Method of Computation" contained in the section "Prospectus Summary — Q: What are the fees that we pay to the Manager, the Sub-Manager, their respective affiliates and the Managing Dealer in connection with this offering?" which appears on page 11 of the Prospectus and contained in the section "Compensation of the Manager, the Sub-Manager, and the Managing Dealer" which appears on page 137 of the Prospectus as well as the first paragraph under "Management Agreement — Total Return Incentive Fee" under the section entitled "Management" and which appears on page 122 of the Prospectus.

The total return incentive fee is based on the Total Return to Shareholders for each share class in any calendar year, payable annually in arrears. We will accrue (but not pay) the total return incentive fee on a monthly basis, to the extent that it is earned on an annual basis, and will perform a final reconciliation at completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

Our Portfolio

The following disclosure supplements the Prospectus by adding a new subsection entitled "International Franchise Professionals Group" under the section "Our Portfolio" which first appears on page 98 of the Prospectus.

International Franchise Professionals Group

Overview. On June 23, 2025, we, through our wholly-owned subsidiary, IFPG Strategic Capital EquityCo, LLC acquired an approximately 91% indirect equity ownership interest in International Franchise Professionals Group ("IFPG"). Our total investment of approximately $113.5 million in IFPG is comprised of an indirect common equity investment of $90.5 million and a concurrent debt investment of $23.0 million made through our wholly-owned subsidiary, IFPG Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by IFPG. In connection with the acquisition of IFPG, the Company borrowed approximately $30 million under its revolving Line of Credit. At the closing of the transaction, the remaining IFPG equity is owned by the founder, Don Daszkowski, and other members of the management team.

Company Overview. IFPG is a membership-based organization serving more than 1,300 franchise professionals. As one of the largest member networks and marketplaces dedicated to the franchise industry, IFPG's customer community is made up of franchisors, franchise consultants and vendors who help potential candidates through the process of identifying and investing in a franchise business. Nationally-recognized franchise companies have chosen IFPG and its members to represent their brands, and hundreds of experienced franchise consultants have chosen IFPG to power their businesses helping aspiring entrepreneurs realize their dreams of business ownership. Established in 2012, IFPG is headquartered in Parlin, NJ and serves its customers across the U.S.

Investment Highlights. We believe that IFPG's expertise and critical positioning within the franchise development lifecycle enable growth for all its members. We believe IFPG's operating history and value proposition to its customers contribute to its economic resiliency. Over the period from December 31, 2019, through December 31, 2024, IFPG has achieved a compound annual revenue growth rate of approximately 41% primarily driven by consistent revenue growth with its recurring membership base, securing new customers and expansion of service offerings. We believe that IFPG has an attractive financial profile driven by the recurring revenue of its monthly membership fees, strong EBITDA margins and the potential for high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for IFPG: (i) proactively expanding the pool of high-quality franchisors and consultants enhancing the network effects of the marketplace, (ii) rolling out and increasing engagement with additional IFPG services, (iii) continuing to drive value in IFPG's events segment, and (iv) evaluating acquisition of strategic, complementary targets.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 3 DATED MAY 22, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 3 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- an update to our Suitability Standards section;
- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended April 30, 2025; and
- certain return information for all outstanding classes of shares.

Suitability Standards

The following disclosure amends and restates the additional suitability requirements for investors residing in New Mexico under the section "Suitability Standards" which appears on page iii of the Prospectus.

New Mexico – It shall be unsuitable for New Mexico residents to invest more than 10% of their liquid net worth in the issuer, affiliates of the issuer, and in any other non-traded direct participation programs. The condition also does not apply to purchasers who meet the definition of an accredited investor as defined in rule 501(a) of Regulation D under the Securities Act of 1933, as amended. "Liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles, minus total liabilities) comprised of cash, cash equivalents, and readily marketable securities.

Public Offering Price Adjustment

On May 22, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of May 29, 2025 and will be used for the Company's next monthly closing for subscriptions on May 30, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of April 30, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$39.73	$38.14	$36.08	$36.83
Selling Commissions, Per Share	$2.38	$1.14		
Dealer Manager Fees, Per Share	$1.00	$0.67		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On May 22, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
June 26, 2025	June 27, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended April 30, 2025

On May 22, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of April 30, 2025 (in thousands, except per share data):

Month Ended April 30, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$158,679	$306,301	$90,305	$109,538	$552,442	$70,045	$1,287,310
Number of Outstanding Shares	3,921	8,426	2,486	3,036	15,000	1,707	34,576
Net Asset Value, Per Share	$40.46	$36.35	$36.33	$36.08	$36.83	$41.04	
Net Asset Value, Per Share Prior Month	$39.84	$35.92	$35.94	$35.65	$36.34	$40.38	
Increase in Net Asset Value, Per Share from Prior Month	$0.62	$0.43	$0.39	$0.43	$0.49	$0.66	

The increase in the Company's net asset value per share for each applicable share class for the month ended April 30, 2025 was primarily driven by the increases in the fair value of fifteen out of sixteen of the Company's portfolio company investments. The fair value of one of the Company's portfolio company investments decreased during the same period. As of April 30, 2025, the Company had total assets of approximately $1.31 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through April 30, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[(1)]	1-Year Return[(2)]	3-Year Return[(3)]	5-Year Return[(4)]	Annualized Return Since Inception[(5)]	Cumulative Total Return[(5)]	Cumulative Return Period
Class FA (no sales load)	3.3%	11.9%	33.9%	77.7%	11.0%	112.3%	February 7, 2018 – April 30, 2025
Class FA (with sales load)	-3.4%	4.7%	25.2%	66.2%	9.9%	98.5%	February 7, 2018 – April 30, 2025
Class A (no sales load)	3.1%	11.0%	30.2%	68.7%	9.9%	95.3%	April 10, 2018 – April 30, 2025
Class A (with sales load)	-5.7%	1.6%	19.1%	54.4%	8.6%	78.7%	April 10, 2018 – April 30, 2025
Class I	3.1%	10.8%	29.9%	68.9%	10.1%	97.1%	April 10, 2018 – April 30, 2025
Class T (no sales load)	2.7%	9.9%	27.4%	61.8%	9.0%	81.9%	May 25, 2018 – April 30, 2025
Class T (with sales load)	-2.2%	4.7%	21.3%	54.1%	8.2%	73.3%	May 25, 2018 – April 30, 2025
Class D	2.9%	10.7%	29.4%	67.0%	9.4%	85.1%	June 26, 2018 – April 30, 2025
Class S (no sales load)	3.4%	11.9%	35.2%	81.4%	12.2%	79.4%	March 31, 2020 – April 30, 2025
Class S (with sales load)	-0.2%	8.0%	30.4%	75.0%	11.4%	73.2%	March 31, 2020 – April 30, 2025

[(1)] For the period from January 1, 2025 through April 30, 2025.
[(2)] For the period from May 1, 2024 through April 30, 2025.
[(3)] For the period from May 1, 2022 through April 30, 2025.

[4] For the period from May 1, 2020 through April 30, 2025.
[5] For the period from the date the first share was issued for each respective share class through April 30, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the four months ended April 30, 2025, sources of declared distributions on a GAAP basis were as follows:

	Four Months Ended April 30, 2025	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 6,160	44.5 %
Distributions in excess of net investment income[2]	7,686	55.5 %
Total distributions declared	$ 13,846	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Four Months Ended April 30, 2025	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 1,978	28.5 %
Expense support (reimbursement)	4,182	60.5 %
Net investment income	$ 6,160	89.0 %
Cash distributions net of distributions reinvested in excess of net investment income[2]	758	11.0 %
Cash distributions declared net of distributions reinvested[3]	$ 6,918	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $4,182 for the four months ended April 30, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the four months ended April 30, 2025, excludes $6,928 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

SUPPLEMENT NO. 1 DATED APRIL 24, 2025
TO THE PROSPECTUS DATED APRIL 7, 2025

We are providing this Supplement No. 1 to you in order to supplement our prospectus dated April 7, 2025 (as supplemented to date, the "Prospectus"). This supplement provides information that shall be deemed part of, and must be read in conjunction with, the Prospectus. Capitalized terms used in this supplement have the same meanings in the Prospectus unless otherwise stated herein. The terms "we," "our," "us" and "Company" refer to CNL Strategic Capital, LLC.

Before investing in our shares, you should read the entire Prospectus and this supplement, and consider carefully our investment objectives, risks, fees and expenses. You should also carefully consider the information disclosed in the section of the Prospectus captioned "Risk Factors" before you decide to invest in our shares.

The purpose of this supplement is to disclose the following:

- the adjusted per share public offering price for each class of our shares;
- information about our distributions;
- the Company's net asset value for the month ended March 31, 2025; and
- certain return information for all outstanding classes of shares.

Public Offering Price Adjustment

On April 24, 2025, the board of directors (the "Board") approved the new per share public offering price for each share class in this offering. The new public offering prices will be effective as of April 30, 2025 and will be used for the Company's next monthly closing for subscriptions on April 30, 2025. As of the date of this supplement, all references throughout the Prospectus to the per share public offering price for each share class available in this offering are hereby updated to reflect the new per share public offering prices stated in the table below. The purchase price for Class A, Class T, Class D, and Class I shares purchased under our distribution reinvestment plan will be equal to the net asset value per share for each share class as of March 31, 2025. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in this offering:

	Class A	Class T	Class D	Class I
Public Offering Price, Per Share	$39.26	$37.73	$35.65	$36.34
Selling Commissions, Per Share	$2.36	$1.13		
Dealer Manager Fees, Per Share	$0.98	$0.66		

We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650.

Declaration of Distributions

The following table supplements the section entitled "Distribution Policy" which begins on page 54 of this Prospectus. On April 24, 2025, the Board declared cash distributions on the outstanding shares of all classes of our common shares based on a monthly record date, as set forth below:

Distribution Record Date	Distribution Payment Date	Declared Distribution Per Share for Each Share Class					
		Class FA	Class A	Class T	Class D	Class I	Class S
May 27, 2025	May 28, 2025	$0.104167	$0.104167	$0.083333	$0.093750	$0.104167	$0.104167

Determination of Net Asset Value for Outstanding Shares for the month ended March 31, 2025

On April 24, 2025, the Board determined the Company's net asset value per share for each share class in a manner consistent with the Company's valuation policy, as described under "Determination of Net Asset Value" in this Prospectus. This table provides the Company's aggregate net asset value and net asset value per share for its Class FA, Class A, Class T, Class D, Class I, and Class S shares as of March 31, 2025 (in thousands, except per share data):

Month Ended March 31, 2025	Class FA	Class A	Class T	Class D	Class I	Class S	Total
Net Asset Value	$156,247	$299,816	$90,549	$107,710	$531,970	$68,921	$1,255,213
Number of Outstanding Shares	3,922	8,346	2,520	3,021	14,638	1,707	34,154
Net Asset Value, Per Share	$39.84	$35.92	$35.94	$35.65	$36.34	$40.38	
Net Asset Value, Per Share Prior Month	$39.76	$35.81	$35.83	$35.54	$36.23	$40.32	
Increase in Net Asset Value, Per Share from Prior Month	$0.08	$0.11	$0.11	$0.11	$0.11	$0.06	

The increase in the Company's net asset value per share for each applicable share class for the month ended March 31, 2025 was primarily driven by the increases in the fair value of ten out of sixteen of the Company's portfolio company investments. The fair value of six of the Company's portfolio company investments decreased during the same period. As of March 31, 2025, the Company had total assets of approximately $1.29 billion.

Return Information

The following table illustrates year-to-date ("YTD"), trailing 12 months ("1-Year Return"), 3-Year Return, 5-Year Return, Annualized Return Since Inception, and cumulative total returns through March 31, 2025 ("Cumulative Total Return"), with and without upfront sales load, as applicable:

	YTD Return[1]	1-Year Return[2]	3-Year Return[3]	5-Year Return[4]	Annualized Return Since Inception[5]	Cumulative Total Return[5]	Cumulative Return Period
Class FA (no sales load)	1.5%	10.4%	31.9%	72.7%	10.8%	108.7%	February 7, 2018 – March 31, 2025
Class FA (with sales load)	-5.1%	3.2%	23.3%	61.5%	9.8%	95.1%	February 7, 2018 – March 31, 2025
Class A (no sales load)	1.6%	9.7%	28.4%	66.5%	9.8%	92.4%	April 10, 2018 – March 31, 2025
Class A (with sales load)	-7.1%	0.4%	17.5%	52.4%	8.4%	76.1%	April 10, 2018 – March 31, 2025
Class I	1.5%	9.3%	28.0%	66.5%	10.0%	93.9%	April 10, 2018 – March 31, 2025
Class T (no sales load)	1.3%	8.8%	25.7%	59.8%	8.9%	79.5%	May 25, 2018 – March 31, 2025
Class T (with sales load)	-3.5%	3.6%	19.8%	52.2%	8.1%	71.0%	May 25, 2018 – March 31, 2025
Class D	1.5%	9.4%	27.5%	64.7%	9.3%	82.4%	June 26, 2018 – March 31, 2025
Class S (no sales load)	1.5%	10.3%	32.9%	78.7%	12.0%	76.1%	March 31, 2020 – March 31, 2025
Class S (with sales load)	-2.0%	6.5%	28.2%	72.4%	11.2%	69.9%	March 31, 2020 – March 31, 2025

[1] For the period from January 1, 2025 through March 31, 2025.
[2] For the period from April 1, 2024 through March 31, 2025.
[3] For the period from April 1, 2022 through March 31, 2025.
[4] For the period from April 1, 2020 through March 31, 2025.
[5] For the period from the date the first share was issued for each respective share class through March 31, 2025. The Annualized Return Since Inception captures the average annual performance over the return period. It is calculated as a geometric average, meaning it captures the effects of compounding over time.

Total return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. For details regarding applicable sales load, please see the "Plan of Distribution" section in the Company's Prospectus. Class I and Class D shares have no upfront sales load.

For the three months ended March 31, 2025, sources of declared distributions on a GAAP basis were as follows:

	Three Months Ended March 31, 2025	
	Amount (in 000s)	% of Total Distributions Declared
Net investment income[1]	$ 8,701	83.9 %
Distributions in excess of net investment income[2]	1,671	16.1 %
Total distributions declared	$ 10,372	100.0 %

Cash distributions net of distributions reinvested during the period presented were funded from the following sources:

	Three Months Ended March 31, 2025	
	Amount (in 000s)	% of Cash Distributions Net of Distributions Reinvested
Net investment income before expense support (reimbursement)	$ 8,692	167.2 %
Expense support (reimbursement)	9	0.2 %
Net investment income	$ 8,701	167.4 %
Cash distributions net of distributions reinvested in excess of net investment income[2]	—	— %
Cash distributions f distributions reinvested[3]	$ 5,197	100.0 %

[1] Net investment income includes expense support, net due from the Manager and Sub-Manager of $9 for the three months ended March 31, 2025.
[2] Consists of distributions made from offering proceeds for the period presented.
[3] For the three months ended March 31, 2025, excludes $5,175 of distributions reinvested pursuant to our distribution reinvestment plan.

For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. If the Company receives additional expense support now or in the future, it will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. For additional information regarding sources of distributions, please see the annual and quarterly reports the Company files with the Securities and Exchange Commission. We have also posted this information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain this information by calling us by telephone at (866) 650-0650. The calculation of the Company's net asset value is a calculation of fair value of the Company's assets less the Company's outstanding liabilities.

Prospectus

Filed pursuant to Rule 424(b)(3)
Registration No. 333-277103

CNL STRATEGIC CAPITAL, LLC

Maximum Offering of up to $1,100,000,000
in shares of Limited Liability Company Interests

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by CNL Strategic Capital Management, LLC ("CNL" or the "Manager") and sub-managed by Levine Leichtman Strategic Capital, LLC (the "Sub-Manager"), an affiliate of Levine Leichtman Capital Partners, LLC ("LLCP"). This is our third public offering. We commenced our initial public offering on March 7, 2018 and terminated our initial public offering on November 1, 2021, after having raised aggregate gross offering proceeds of approximately $264.7 million from the sale of shares of our limited liability company interests, or our shares, in the initial public offering. We commenced our initial follow-on public offering on November 1, 2021 and terminated our initial follow-on public offering on November 1, 2024, after having raised aggregate gross offering proceeds of approximately $704.8 million from the sale of our shares in the initial follow-on public offering.

We are offering up to $1,000,000,000 of our shares on a best efforts basis, which means that CNL Securities Corp., or the Managing Dealer, will use its best efforts but is not required to sell any specific amount of shares. We are offering, in any combination, four classes of our shares in this offering: Class A shares, Class T shares, Class D shares and Class I shares. The initial minimum permitted purchase amount is $5,000 in our shares. There are differing selling fees and commissions for each class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in this primary offering. The current public offering prices for our shares are $39.14 per Class A share, $37.62 per Class T share, $35.54 per Class D share and $36.23 per Class I share. Such prices may be adjusted by our board of directors. Our board of directors determines our net asset value for each class of our shares on a monthly basis. If our net asset value per share on such valuation date increases above or decreases below our net proceeds per share as stated in this prospectus, we will adjust the offering price of any of the classes of our shares, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share on such valuation date. We are also offering, in any combination, up to $100,000,000 of Class A shares, Class T shares, Class D shares and Class I shares to be issued pursuant to our distribution reinvestment plan. We reserve the right to reallocate the shares between our distribution reinvestment plan and our primary offering. As of March 28, 2024, we had 34,332,675 shares outstanding which consist of 4,017,056 Class FA shares, 8,336,711 Class A shares, 2,517,732 Class T shares, 3,104,775 Class D shares 14,644,356 Class I shares and 1,712,045 Class S shares. As of March 31, 2025, we have raised total net offering proceeds (including amounts raised from our private offerings and public offerings) of approximately $1.2 billion, including approximately $51.5 million received through our distribution reinvestment plan.

We currently intend to sell shares in this offering until November 1, 2026 and we may extend this offering one additional year if all of the shares we have registered are not yet sold within two years; however, we may suspend or terminate this offering sooner, or extend this offering as permitted under applicable securities laws, in each case with respect to any class of shares, and we would announce such event in a prospectus supplement. In addition, some states will require us to renew our registration annually in order to continue offering our shares beyond the initial registration period in such states.

Investing in our shares involves a high degree of risk. You should purchase shares only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page 22. Significant risks relating to your investment in our shares include, among others:

- We may be unable to successfully implement our business and acquisition strategies or generate sufficient cash flow to make distributions to our shareholders.

- Our success will be dependent on the performance of the Manager and the Sub-Manager, but you should not rely on the past performance of the Manager, the Sub-Manager and their respective affiliates as an indication of future success. Prior to our initial public offering, affiliates of CNL had only sponsored real estate and credit investment programs.

- We pay substantial fees and expenses to the Manager, the Sub-Manager, the Managing Dealer or their respective affiliates. These payments increase the risk that you will not earn a profit on your investment.

- Investors will not have the opportunity to evaluate the assets we acquire before we make them, which makes an investment in us more speculative. We face risks with respect to the evaluation and management of future acquisitions.

- This is a "best efforts" offering and if we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make, and the value of your investment in us will fluctuate with the performance of the assets we acquire.

- Our shares sold in this offering will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Therefore, if you purchase shares in this offering, you will have limited liquidity and may not receive a full return of your invested capital if you sell your shares.

- The purchase price for our shares is based on our most recently determined net asset value and is not based on any public trading market. While our board of directors has engaged an independent valuation firm to assist with the valuation of our businesses, the valuation of our assets is inherently subjective, and our net asset value may not accurately reflect the actual price at which our assets could be liquidated on any given day.

- The amount of any distributions we may pay is uncertain. We may not be able to pay you distributions and our distributions may not grow over time. We may pay distributions from any source, including from cash resulting from expense support and fee deferrals and/or waivers from the Manager and the Sub-Manager as needed, and there are no limits on the amount of offering proceeds we may use to fund distributions. If we pay distributions from sources other than cash flow from operations, we will have less funds available for investments, and your overall return may be reduced. We believe the likelihood that we will pay distributions from sources other than cash flow from operations will be higher in the early stages of this offering.

- The Manager, the Sub-Manager and their respective affiliates, including our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders.

- If we were to become taxable as a corporation for U.S. federal income tax purposes, we would be required to pay income tax at corporate rates on our net income and would reduce the amount of cash available for distribution to our shareholders. Such distributions, if any, by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits.

- Our board of directors may change our business and acquisition policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to you.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete, or determined whether the securities offered hereby can be sold in compliance with applicable conduct standards, including

the standard imposed under Regulation Best Interest. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful. The use of forecasts in this offering is prohibited. Any representation to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefit or tax consequence which may flow from an investment in our shares is not permitted.

	Maximum Aggregate Price to Public	Maximum Selling Commissions	Maximum Dealer Manager Fees	Proceeds to Us Before Expenses[1][5][6]
Maximum Offering	$ 1,000,000,000	$ 12,000,000[2]	$ 5,500,000[2]	$ 982,500,000
Class A Shares, Per Share	$ 39.14	$ 2.35	$ 0.98	$ 35.81
Class T Shares, Per Share[3]	$ 37.62	$ 1.13	$ 0.66	$ 35.83
Class D Shares, Per Share[3]	$ 35.54	$ -	$ -	$ 35.54
Class I Shares, Per Share	$ 36.23	$ -	$ -	$ 36.23
Distribution Reinvestment Plan[4]	$ 100,000,000	$ -	$ -	$ 100,000,000
Class A Shares, Per Share	$ 35.81	$ -	$ -	$ 35.81
Class T Shares, Per Share	$ 35.83	$ -	$ -	$ 35.83
Class D Shares, Per Share	$ 35.54	$ -	$ -	$ 35.54
Class I Shares, Per Share	$ 36.23	$ -	$ -	$ 36.23

(1) The proceeds to us before expenses are calculated without deducting certain organization and offering expenses. The total of the other organization and offering expenses, excluding selling commissions, dealer manager fees and distribution and shareholder servicing fees, are estimated to be approximately $15,000,000 if the maximum primary offering amount is sold.

(2) The maximum selling commissions and dealer manager fee assume that 15%, 10%, 10% and 65% of the gross offering proceeds from this primary offering are from sales of Class A shares, Class T shares, Class D shares and Class I shares, respectively. The selling commissions are equal to 6.00% and 3.00% of the sale price for Class A and Class T shares, respectively, with discounts available to some categories of investors, and the dealer manager fee is equal to 2.50% and 1.75% of the sale price for Class A and Class T shares, respectively, with discounts available to some categories of investors.

(3) We pay the Managing Dealer a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. See "Plan of Distribution."

(4) We will not pay selling commissions and dealer manager fees, or reimburse issuer costs, in connection with our shares issued through our distribution reinvestment plan. For participants in the distribution reinvestment plan, distributions paid on Class A shares, Class T shares, Class D shares and Class I shares, as applicable, will be used to purchase Class A shares, Class T shares, Class D shares and Class I shares, respectively.

(5) The total of the above fees, plus other organizational and offering expenses and fees, are estimated to be approximately $32,500,000 if we raise $1,000,000,000.

(6) We are offering certain volume discounts resulting in reductions in selling commissions payable with respect to sales of our Class A shares for certain minimum aggregate purchase amounts to an investor. See "Plan of Distribution—Volume Discounts (Class A Shares Only)."

The date of this prospectus is April 7, 2025

SUITABILITY STANDARDS

Our shares offered through this prospectus are suitable only as a long-term investment for persons of adequate financial means such that they do not have a need for liquidity in this investment. We have established financial suitability standards for initial shareholders in this offering which require that a purchaser of shares have either:

- a gross annual income of at least $70,000 and a net worth of at least $70,000, or
- a net worth of at least $250,000.

For purposes of determining the suitability of an investor, net worth in all cases should be calculated excluding the value of an investor's home, home furnishings and automobiles. In the case of sales to fiduciary accounts, these minimum standards must be met by the beneficiary, the fiduciary account or the donor or grantor who directly or indirectly supplies the funds to purchase the shares if the donor or grantor is the fiduciary.

Those selling shares on our behalf or participating broker-dealers and registered investment advisers recommending the purchase of shares in this offering are required to make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment for each investor based on information provided by the investor regarding the investor's other holdings, financial situation, tax status and investment objectives and must maintain records for at least six years of the information used to determine that an investment in the shares is suitable and appropriate for each investor. In making this determination, your participating broker-dealer, authorized investment representative or other person selling shares on our behalf will, based on a review of the information provided by you, consider whether you:

- meet the minimum income and net worth standards established by us and by your state;
- can reasonably benefit from an investment in our shares based on your overall investment objectives and portfolio structure;
- are able to bear the economic risk of the investment based on your overall financial situation, including the risk that you may lose your entire investment; and
- have an apparent understanding of the following:
    - the fundamental risks of your investment;
    - the risk that you may lose your entire investment;
    - the lack of liquidity of your shares;
    - the restrictions on transferability of your shares;
    - the background and qualification of the Manager and the Sub-Manager; and
    - the tax consequences of your investment.

In purchasing shares, custodians or trustees of employee pension benefit plans or individual retirement accounts, or IRAs, may be subject to the fiduciary duties imposed by the Employee Retirement Income Security Act of 1974, as amended, or ERISA, or other applicable laws and to the prohibited transaction rules prescribed by ERISA and related provisions of the Internal Revenue Code of 1986, as amended, or the Code. In addition, prior to purchasing shares, the trustee or custodian of an employee pension benefit plan or an IRA should determine that such an investment would be permissible under the governing instruments of such plan or account and applicable law.

The following states have established additional suitability requirements that are more stringent than the standards that we have established and described above. Shares will be sold to investors residing in these states only if those investors represent that they meet the additional suitability standards. In each case, these additional suitability standards exclude from the calculation of net worth the value of an investor's home, home furnishings and personal automobiles.

Alabama – In addition to the general suitability standards, Alabama investors may not invest more than 10% of their liquid net worth in us and our affiliates.

California – California investors must have either (i) an estimated gross income of at least $65,000 during the current tax year and a net worth of at least $250,000, or (ii) a net worth of at least $500,000. In addition, California investors should limit their investment in us to 10% of the investor's net worth. For these purposes, "net worth" is exclusive of an investor's home, home furnishings, and automobiles. An investment in Class D shares or Class I shares by a California investor that is an accredited investor as defined in Regulation D under the Securities Act is not subject to the foregoing concentration limitation.

Idaho – Investors who reside in the state of Idaho must have either (i) a net worth of $85,000 and annual income of $85,000 or (ii) a liquid net worth of $300,000 (excluding the value of a purchaser's home, furnishings and automobiles). Additionally, an Idaho investor's total investment in us shall not exceed 10% of his or her liquid net worth. Liquid net worth is defined as that portion of net worth consisting of cash, cash equivalents and readily marketable securities.

Iowa – Iowa investors must have either (i) a minimum of $100,000 annual gross income and a net worth of $100,000, or (ii) a net worth of at least $350,000 (exclusive of home, home furnishings and automobiles). In addition, Iowa investors may not invest in aggregate more than 10% of their liquid net worth in us and in the securities of other non-traded direct participation programs (DPPs). "Liquid net worth" is defined as the portion of net worth that consists of cash, cash equivalents, and readily marketable securities. An investment by an Iowa investor that is an accredited investor as defined in Regulation D under the Securities Act is not subject to the foregoing concentration limitation.

Kansas – It is recommended by the Office of the Kansas Securities Commissioner that Kansas investors limit their aggregate investment in our securities and other similar investments to not more than 10% of their liquid net worth. Liquid net worth shall be defined as that portion of the purchaser's total net worth that is comprised of cash, cash equivalents, and readily marketable securities, as determined in conformity with GAAP.

Kentucky – A Kentucky investor may not invest more than 10% of their liquid net worth in us or our affiliates. "Liquid net worth" is defined as that portion of net worth that is comprised of cash, cash equivalents and readily marketable securities.

Maine – The Maine Office of Securities recommends that an investor's aggregate investment in this offering and similar direct participation investments not exceed 10% of the investor's liquid net worth. For this purpose, "liquid net worth" is defined as that portion of net worth that consists of cash, cash equivalents and readily marketable securities.

Massachusetts – Massachusetts investors may not invest more than 10% of their liquid net worth in us, our affiliates and in other non-publicly traded direct investment programs (including real estate investment trusts, business development companies, oil and gas programs, equipment leasing programs and commodity pools, but excluding unregistered, federally and state exempt private offerings). Liquid net worth is that portion of an investor's net worth (total assets exclusive of home, home furnishings and automobiles minus liabilities) that is comprised of cash, cash equivalents and readily marketable securities.

Missouri – No more than ten percent (10%) of any one Missouri investor's liquid net worth shall be invested in this offering of our shares.

Nebraska – Nebraska investors must have either (i) an annual gross 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. In addition, investors must limit their aggregate investment in us and in the securities of other non-publicly traded programs to 10% of their net worth. Investors who are accredited investors as defined in Regulation D under the Securities Act of 1933, as amended, are not subject to

this investment concentration limit.

New Jersey – New Jersey investors must have either (i) a minimum liquid net worth of at least $100,000 and a minimum annual gross income of at least $85,000, or (ii) a minimum liquid net worth of $350,000. In addition, investors must limit their investment in us, our affiliates and other non-publicly traded direct investment programs (including real estate investment trusts, business development companies, oil and gas programs, equipment leasing programs and commodity pools, but excluding unregistered, federally and state exempt private offerings) to 10% of their liquid net worth. For these purposes, "liquid net worth" is defined as that portion of net worth (total assets exclusive of home, home furnishings and automobiles, minus total liabilities) that consists of cash, cash equivalents and readily marketable securities.

New Mexico – It shall be unsuitable for New Mexico residents to invest more than 10% of their liquid net worth in the issuer, affiliates of the issuer, and in any other non-traded direct participation programs. "Liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles, minus total liabilities) comprised of cash, cash equivalents, and readily marketable securities.

North Dakota – In addition to the stated net income and net worth standards, North Dakota investors must also have a net worth of at least ten times their investment in us.

Ohio – It shall be unsuitable for Ohio residents to invest more than 10% of their liquid net worth in the issuer, affiliates of the issuer, and in any other non-traded direct participation programs. "Liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles, minus total liabilities) comprised of cash, cash equivalents and readily marketable securities. This condition does not apply, directly or indirectly, to federally covered securities.

Oklahoma – Oklahoma investors cannot invest more than 10% of their liquid net worth in us and our affiliates. Net worth for this purpose is exclusive of an investor's home, home furnishings and automobiles.

Oregon – In addition to the suitability standards set forth above, Oregon investors must limit their investment in us to no more than 10% of their liquid net worth.

Pennsylvania – Pennsylvania investors must limit their investment in us to no more than 10% of their net worth, exclusive of home, furnishings and automobiles.

Puerto Rico – Residents of Puerto Rico may not invest more than 10% of their liquid net worth in the issuer, affiliates of the issuer, and in any other non-traded direct participation programs. "Liquid net worth" is defined as that portion of net worth (total assets exclusive of primary residence, home furnishings, and automobiles, minus total liabilities) comprised of cash, cash equivalents and readily marketable securities.

Tennessee – In addition to meeting the general suitability standards set forth above, Tennessee investors who are not "accredited investors" may not invest more than 10% of their liquid net worth in us. "Net worth" for this purpose is exclusive of an investor's home, home furnishings, and automobiles.

Vermont – In addition to the suitability standards set forth above, non-accredited Vermont investors may not purchase an amount in us that exceeds 10% of their liquid net worth. For these purposes, "liquid net worth" is defined as an investor's total assets (not including home, home furnishings, or automobiles) minus total liabilities. Vermont residents who are "accredited investors" as defined in 17 C.F.R. § 230.501 are not subject to the limitation described in this paragraph.

Regulation Best Interest

The SEC has adopted Regulation Best Interest under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Regulation Best Interest establishes a new standard of conduct for broker-dealers and their associated persons when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. A retail customer is any natural person, or the legal representative of such person, who receives a recommendation of any securities transaction or investment strategy involving securities from a broker-dealer and uses the recommendation primarily for personal, family, or household purposes. When making such a

recommendation, a broker-dealer and its associated persons must act in the best interest of such retail customer when making a recommendation to purchase shares in this offering, without placing their financial or other interest ahead of the retail customer's interests, and should consider reasonable alternatives in determining whether the broker dealer and its associated persons have a reasonable basis for making the recommendation. This standard is different and higher than the quantitative suitability standards we require for an investment in our shares and the current suitability standard applied by the Financial Industry Regulatory Authority, a self-regulatory organization for broker-dealers. Listed entities may be reasonable alternatives to an investment in us, as listed entities may feature characteristics like lower cost, nominal commissions at the time of the initial purchase, less complexity and lesser or different risks. Under Regulation Best Interest, the SEC rules, the broker-dealer must meet four component obligations:

- Disclosure Obligation: The broker-dealer must provide certain required disclosures, including details about their services and fee structures, before or at the time of the recommendation about the recommendation and the relationship between the broker-dealer and its retail customer. The disclosure includes a customer relationship summary on Form CRS. The broker-dealer's disclosures are separate from the disclosures we provide to investors in this prospectus.

- Care Obligation: The broker-dealer must exercise reasonable diligence, care, and skill in making the recommendation.

- Conflict of Interest Obligation: The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest.

- Compliance Obligation: The broker-dealer must establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest.

There is limited case or administrative law under Regulation Best Interest.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the United States Securities and Exchange Commission, or the SEC, to register a continuous offering of our shares. Periodically, as we make material investments or have other material developments, we will provide a prospectus supplement or amend this prospectus that may add, update or change information contained in this prospectus. We will endeavor to avoid interruptions in this offering, but may, to the extent permitted or required under the rules and regulations of the SEC, supplement the prospectus or file an amendment to the registration statement with the SEC when we adjust the prices of our shares because our net asset value per share declines or increases from the amount of the net proceeds per share as stated in the prospectus on the date we publish our net asset value per share. In addition, we will file an amendment to the registration statement with the SEC on or before such time as the new offering price per share for any of the classes of our shares being offered by this prospectus represents more than a 20% change in the per share offering price of our shares from the most recent offering price per share. While we will attempt to file such amendment on or before such time in order to avoid interruptions in this offering, there can be no assurance, however, that this offering will not be suspended while the SEC reviews any such amendment and until it is declared effective.

Any statement that we make in this prospectus may be modified or superseded by us in a subsequent prospectus supplement. The registration statement we have filed with the SEC includes exhibits that provide more detailed descriptions of certain matters discussed in this prospectus. You should read this prospectus and the related exhibits filed with the SEC and any prospectus supplement, together with the additional information described in the section entitled "Available Information" in this prospectus. In this prospectus, we use the term "day" to refer to a calendar day, and we use the term "business day" to refer to any day other than Saturday, Sunday, a legal holiday or a day on which banks in New York City are authorized or required to close.

You should rely only on the information contained in this prospectus. Neither we nor the Managing Dealer has authorized any other person to provide you with different information from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Managing Dealer is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or sale of our shares. If there is a material change in the affairs of the company, we will amend or supplement this prospectus.

For information on the suitability standards that investors must meet in order to purchase shares in this offering, see "Suitability Standards."

PROSPECTUS SUMMARY

This summary highlights all material summary information contained elsewhere in this prospectus, and does not contain all of the information that you may want to consider when making your investment decision. To understand this offering fully, you should read the entire prospectus carefully, including the section entitled "Risk Factors," before making a decision to invest in our shares. CNL Strategic Capital, LLC is a Delaware Limited Liability Company formed on August 9, 2016. Unless the context requires otherwise or as otherwise noted, the terms "we," "us," "our," and "company" refer to CNL Strategic Capital, LLC; the term the "Manager" or "CNL" refers to CNL Strategic Capital Management, LLC; the term the "Sub-Manager" refers to Levine Leichtman Strategic Capital, LLC; the term "LLCP" refers to Levine Leichtman Capital Partners, LLC, an affiliate of the Sub-Manager; the term the "Managing Dealer" refers to CNL Securities Corp.; the term "CFG" refers to CNL Financial Group, LLC; the term "CNL Financial Group" refers to CNL Financial Group, Inc. and CNL Financial Group Investment Management LLC; the term the "Administrator" refers to the Manager, in its capacity as Administrator; the term the "Sub-Administrator" refers to the Sub-Manager in its capacity as a sub-administrator; the term "shareholder" refers to a holder of shares of the company's limited liability company interests; the term "LLC Agreement" refers to the company's eighth amended and restated limited liability company operating agreement, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part; the term "primary offering" refers to this offering (excluding our distribution reinvestment plan) to which we are initially allocating $1,000,000,000 in any combination of Class A shares, Class T shares, Class D shares and Class I shares; the term "initial public offering" refers to our public offering of our Class A shares, Class T shares, Class D shares and Class I shares that terminated upon the effectiveness of the initial follow-on public offering; the term "initial follow-on public offering" refers to our public offering of our Class A shares, Class T shares, Class D shares and Class I shares that terminated upon the effectiveness of this offering; the term "this offering" refers to our follow-on public offering of our Class A shares, Class T shares, Class D shares and Class I shares that commenced upon the initial effective date of the registration statement of which this prospectus is part; the term "founder shares" refers to Class FA shares and Class S shares; the term "non-founder shares" refers to Class A, Class T, Class D and Class I shares; the term "our shares" refers to Class A, Class FA, Class T, Class D, Class I and Class S shares, collectively; the term "our businesses" refers to the equity and debt investments we have made in portfolio companies as discussed under "Our Portfolio."

Q: **Who is CNL Strategic Capital, LLC?**

A: CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We refer to the strategy of owning both the debt and equity of our target private companies as a "private capital" strategy. We intend to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. Our business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. We define controlling equity interests as companies in which we own more than 50% of the voting securities of such companies. This business strategy, which has been used by affiliates of the Sub-Manager over many different business cycles, will provide us with a high level of operational control and the opportunity to receive current cash income in the form of monthly coupon payments from our debt and periodic cash distributions from our equity ownership in the businesses we acquire. We believe that our business strategy also allows us to partner with management teams that are highly incentivized to support the growth and profitability of our businesses. We will use the global origination networks of the Manager and the Sub-Manager to identify potential acquisitions and management teams that embrace our transaction structure and management philosophy.

We intend for a significant majority of our total assets to be comprised of long-term controlling equity interests and debt positions in the businesses we acquire. In addition, and to a lesser extent, we may acquire other debt and minority equity positions. We intend to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments. We may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by LLCP or its affiliates. We expect that these positions will comprise a minority of our total assets. See "Business—Business Strategy."

We commenced operations on February 7, 2018. As of March 28, 2025, we had 34,332,675 shares outstanding which consist of 4,017,056 Class FA shares, 8,336,711 Class A shares, 2,517,732 Class T shares, 3,104,775 Class D shares 14,644,356 Class I shares and 1,712,045 Class S shares. As of December 31, 2024, we had invested in sixteen businesses, consisting of a fair value of approximately $848.6 million of equity investments and approximately $292.3 million of debt investments.

Q: **Who is CNL?**

A: We are managed by the Manager, CNL, under a management agreement, as currently amended and as may be

amended in the future (the "Management Agreement") pursuant to which the Manager is responsible for the overall management of our activities. The Manager is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). CNL is controlled by CFG, a private investment management firm specializing in alternative investment products. Anchored by over 50 years of investing in relationships, CFG or its affiliates have formed or acquired companies with more than $36 billion in assets. Performance-driven, CFG strives to achieve investment returns by identifying emerging trends, accessing capital through its national distribution channels, and investing shareholder capital in a variety of real estate, credit and private capital investment products. Over its history, CFG has invested through various market cycles in a broad range of industries, asset classes and geographies. Its sponsorship and management of a wide range of investment programs have fostered experience investing in and lending to companies operating in the retail, restaurant, health care, hotel, leisure, recreation, financial services and insurance industries.

CFG's disciplined investment approach concentrates on underserved, undercapitalized markets. By championing a long-term perspective that concentrates on building partnerships that extend beyond one transaction or one idea, CFG has developed a broad network of business relationships, which we will have access to and from which we will benefit. CFG partners with prominent investment organizations to provide shareholders access to a distinctive platform of products.

Q: **Who are Levine Leichtman Strategic Capital, LLC and LLCP?**

A: The Manager has engaged the Sub-Manager, Levine Leichtman Strategic Capital, LLC, under a sub-management agreement, as currently amended and as may be amended in the future (the "Sub-Management Agreement"), pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is registered as an investment adviser under the Advisers Act.

The Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 40 years. Since its inception in 1984 through December 31, 2024, LLCP has managed approximately $16.4 billion of capital and currently manages approximately $10.2 billion of assets. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP has an experienced leadership team comprised of ten senior professionals ("LLCP Senior Executives") who have worked at LLCP for an average of 20 years. LLCP has 83 employees, including 47 dedicated investment professionals.

LLCP's track record is a result of (i) having a cohesive Investment Team (defined below) that has successfully acquired and managed middle-market companies through all economic cycles, (ii) executing a differentiated strategy that is attractive to business owners and creates a risk-adjusted capital structure, (iii) providing value-added expertise to its businesses, and (iv) having an established middle-market presence and experience acquiring and managing middle-market companies. Through our Sub-Manager, we believe we will benefit from LLCP's experience and expertise in acquiring U.S. middle-market businesses.

Q: **How will we identify assets to acquire and make decisions on whether to make such acquisitions?**

A: We believe we will benefit from the Manager's and the Sub-Manager's combined business and industry-specific knowledge and experience in the middle market and the Sub-Manager's transaction expertise and acquisition capabilities. The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisition and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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. To facilitate communication and coordination, the Manager and the Sub-Manager hold, and intend to continue to hold, regular meetings to plan and discuss our business strategy, potential acquisition and finance opportunities, current market developments and strategic goals. We believe the Manager's and the Sub-Manager's middle-market expertise provide us with substantial market insight and valuable access to acquisition and financing opportunities. Our board of directors, including a majority of our independent directors, oversee and monitor the performance of our business.

For a discussion of our businesses, see "Our Portfolio".

Q: **Are there any risks involved in an investment in our shares?**

A: Yes, an investment in our shares involves material risks. Investing in our shares may be considered speculative and involves a high degree of risk, including the risk of the loss of your investment. Our shares are illiquid and appropriate only as a long-term investment.

- We may be unable to successfully implement our business and acquisition strategies or generate sufficient cash flow to make distributions to our shareholders.
- Our success will be dependent on the performance of the Manager and the Sub-Manager, but you should not rely on the past performance of the Manager, the Sub-Manager and their respective affiliates as an indication of future success. Prior to our initial public offering, affiliates of CNL had only sponsored real estate and credit investment programs.
- We pay substantial fees and expenses to the Manager, the Sub-Manager, the Managing Dealer or their respective affiliates. These payments increase the risk that you will not earn a profit on your investment.
- Investors will not have the opportunity to evaluate the assets we acquire before we make them, which makes an investment in us more speculative. We face risks with respect to the evaluation and management of future acquisitions.
- This is a "best efforts" offering and if we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make, and the value of your investment in us will fluctuate with the performance of the assets we acquire.
- Our shares sold in this offering will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Therefore, if you purchase shares in this offering, you will have limited liquidity and may not receive a full return of your invested capital if you sell your shares.
- The purchase price for our shares is based on our most recently determined net asset value, and will not be based on any public trading market. While our board of directors has engaged an independent valuation firm to assist with the valuation of our businesses, the valuation of our assets is inherently subjective, and our net asset value may not accurately reflect the actual price at which our assets could be liquidated on any given day.
- The amount of any distributions we may pay is uncertain. We may not be able to pay you distributions and our distributions may not grow over time. We may pay distributions from any source, including from cash resulting from expense support and fee deferrals and/or waivers from the Manager and the Sub-Manager as needed, and there are no limits on the amount of offering proceeds we may use to fund distributions. If we pay distributions from sources other than cash flow from operations, we will have less funds available for investments, and your overall return may be reduced. We believe the likelihood that we will pay distributions from sources other than cash flow from operations will be higher in the early stages of this offering.
- The Manager, the Sub-Manager and their respective affiliates, including our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders.
- If we were to become taxable as a corporation for U.S. federal income tax purposes, we would be required to pay income tax at corporate rates on our net income and would reduce the amount of cash available for distribution to our shareholders. Such distributions, if any, by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits.
- Our board of directors may change our business and acquisition policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to you.

Q: **Will you use leverage?**

A: We will not use leverage in excess of 35% of our gross assets (not including borrowings of our businesses) unless a majority of our independent directors approves any excess above such limit and determines that such borrowing is in the best interests of our company. Any excess in leverage over such 35% limit shall be disclosed to shareholders in our next quarterly or annual report, along with the reason for such excess. In any event, we

expect that the amount of our aggregate borrowings will be reasonable in relation to the value of our assets and will be reviewed by our board of directors at least quarterly.

Financing a portion of the acquisition price of our assets will allow us to broaden our business by increasing the funds available for acquisition. Financing a portion of our acquisitions is not free from risk. Using borrowings requires us to pay interest and principal, referred to as "debt service," all of which decrease the amount of cash available for distribution to our shareholders or other purposes. We may also be unable to refinance the borrowings at maturity on favorable or equivalent terms, if at all, exposing us to the potential risk of loss with respect to assets pledged as collateral for loans. Certain of our borrowings may be floating rate and the effective interest rates on such borrowings will increase when the relevant interest benchmark increases.

See "Risk Factors—Risks Related to Our Business—To the extent that we borrow money, the potential for gain or loss on amounts invested in us will be magnified and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available to service our debt or for distribution to our shareholders, and result in losses."

As discussed below in "Certain U.S. Federal Income Tax Consequences—Tax Exempt Organizations," income that would not otherwise be treated as unrelated business taxable income, or UBTI (including interest and dividends), is generally treated as UBTI in whole or in part if leverage is used to acquire or hold the assets generating such income. We intend to manage the recognition of UBTI by tax-exempt investors by making levered investments and investments in entities taxed as partnerships through subsidiaries taxed as corporations for U.S. federal income tax purposes.

Q: **What are our potential competitive strengths?**

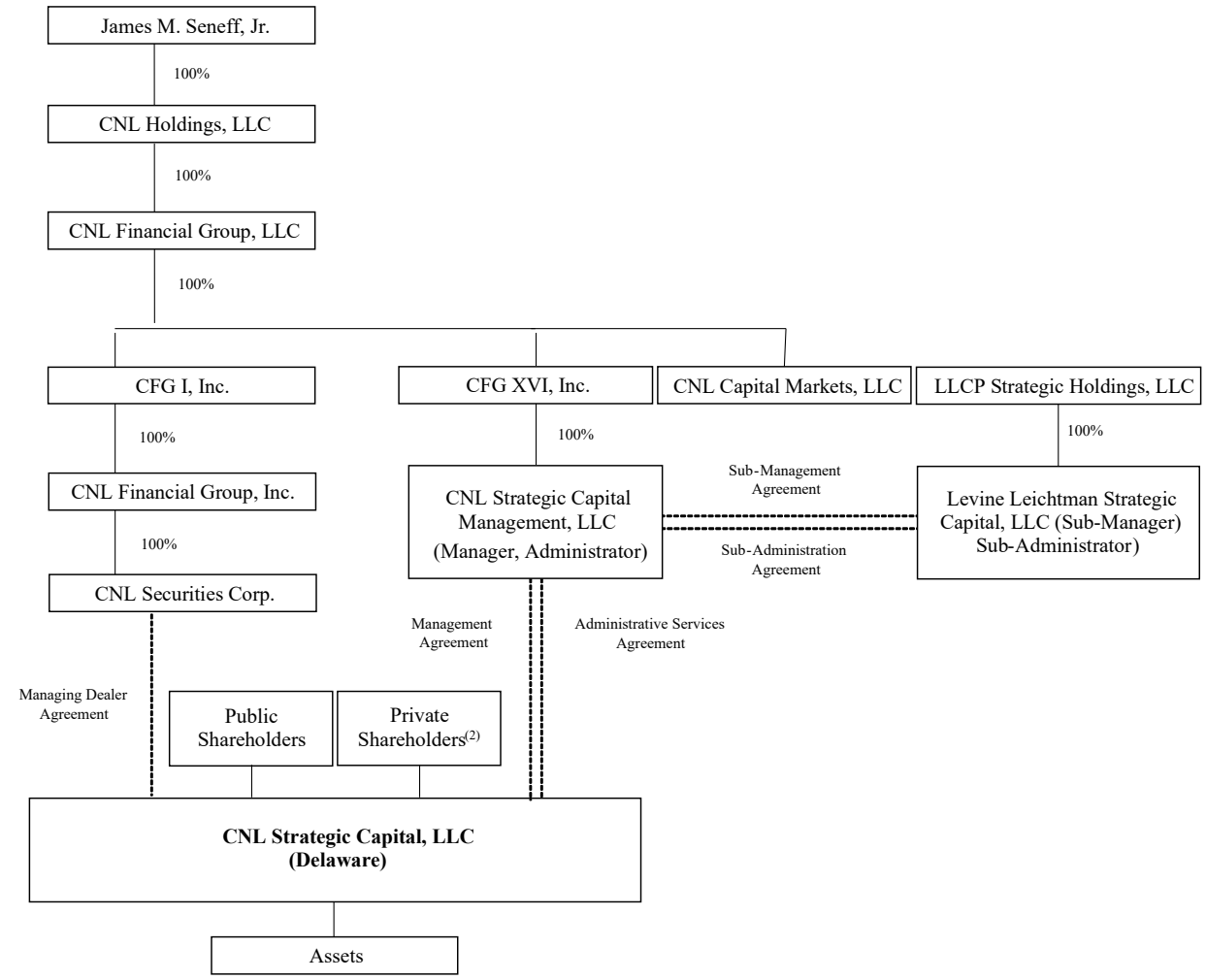
A: We believe that the following potential competitive strengths will enable us to capitalize on the significant acquisition opportunities in the markets we target, including:

- LLCP's and the LLCP Senior Executives' track record and 40-year tenure of acquiring businesses in the middle-market;
- a differentiated acquisition strategy that is attractive to entrepreneurs;
- a strategy that involves partnering with strong management teams;
- proactive generation of proprietary deal flow;
- leveraging the Manager's and the Sub-Manager's established middle-market presence;
- a cohesive team of investment professionals;
- a business strategy that involves a tiered transaction review process with acquisition structuring that combines current income and long-term capital appreciation, while protecting invested capital;
- the Manager's and the Sub-Manager's role as active partners to the businesses we acquire and their management teams; and
- a strategy that provides us the flexibility to make acquisitions with a long-term perspective.

See "Business—Potential Competitive Strengths" beginning on page 90 for more discussion.

Q: **What is the current ownership structure of CNL Strategic Capital, LLC?**

A: The following chart illustrates the general structure and ownership of the company and the management relationship between the Manager, the Sub-Manager and us.[(1)]



(1) We have entered into the Management Agreement with the Manager and the Sub-Management Agreement with the Manager and the Sub-Manager. We have entered into a managing dealer agreement (the "Managing Dealer Agreement") with the Managing Dealer. We have also entered into an administrative services agreement with the Administrator, as currently amended and as may be amended in the future (the "Administrative Services Agreement") and a sub-administration agreement with the Administrator and the Sub-Administrator, as currently amended and as may be amended in the future (the "Sub-Administration Agreement"). Please see the disclosure below under "Compensation of the Manager, the Sub-Manager and the Managing Dealer" and "Management—Administrative Services" for a description of the compensation, reimbursements and distributions we contemplate paying (directly or indirectly) to the Manager, the Sub-Manager, the Managing Dealer, the Administrator, the Sub-Administrator and other affiliates in exchange for services provided to us.

(2) Represents shareholders who purchased shares in our private offerings, and includes affiliates of the Manager and the Sub-Manager as well as purchasers of any future private offering we may complete.

Q: **What conflicts of interest exist between us, the Manager, the Sub-Manager and their respective affiliates?**

A: The Manager, the Sub-Manager and their respective affiliates will experience conflicts of interest in connection with the management of our business affairs, including the following:

- Our executive officers and certain members of our board of directors serve as directors and/or officers of various entities affiliated with the Manager and the Sub-Manager, as applicable.
- The Manager, the Sub-Manager, the Administrator, the Sub-Administrator and their respective affiliates provide services to us. The Administrator and the Sub-Administrator also oversee the performance of other administrative and professional services provided to us by others, including by their respective affiliates.
- Regardless of the quality of our assets, the services provided to us or whether we pay distributions to our shareholders, the Manager and the Sub-Manager receive certain fees and expense reimbursements in connection with their services to us as the Manager and the Sub-Manager, respectively.

Additionally, we may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services.

- The agreements between us and the Manager, the Sub-Manager or their respective affiliates are not arm's length agreements. In addition, as a result of the fact that we have some common management, including on our board of directors, with the Manager and the Sub-Manager, our board of directors may encounter conflicts of interest in enforcing our rights against the Manager, the Sub-Manager and their respective affiliates in the event of a default by, or disagreement with, any of the Manager, the Sub-Manager and their respective affiliates or in invoking powers, rights or options pursuant to any agreement between any of them and us.

- Our board of directors is responsible for determining the net asset value of our assets (with the assistance from the Manager, the Sub-Manager and the independent valuation firm) and, because the base management fee is payable monthly and for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, a higher net asset value of our assets would result in a higher base management fee to the Manager and the Sub-Manager.

- We value our assets monthly at fair value as determined in good faith by our board of directors based on input from the Manager, the Sub-Manager, and an independent valuation firm engaged by our board of directors and our audit committee, Alvarez & Marsal Valuation Services, LLC. The determination of the average value of our gross assets reflects changes in the fair market value of our businesses. See "Determination of Net Asset Value."

- The Manager does not currently manage other clients; however, the Manager is not prohibited from doing so and the Manager may determine it is appropriate for us and one or more other clients managed in the future by the Manager or any of its affiliates to participate in an opportunity together. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. The Manager will consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs.

- The Sub-Manager and its affiliates currently manage various other clients and accounts. The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to an exclusivity agreement, or the Exclusivity Agreement, between the Manager and the Sub-Manager and its obligations thereunder, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy. Certain of our officers and directors have made, and may from time to time in the future make, passive investments in private funds or other investment vehicles sponsored and/or managed by the Sub-Manager or one of its affiliates.

- Subject to the company's investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on behalf of the company).

- The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients. The Sub-Manager or its affiliates currently manage other clients that have a similar business strategy as us. The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine that an opportunity is more appropriate for another client managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. In certain cases, the Sub-Manager, subject to approval by the Manager that such opportunity

meets our investment objectives and final approval of such opportunity by our board of directors, may determine it is appropriate for us to participate in an acquisition opportunity alongside one or more other clients managed by the Sub-Manager or any of its affiliates. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. To the extent the Sub-Manager identifies such co-opportunities, the Sub-Manager has developed an allocation policy to ensure that we are treated fairly and equitably. The Sub-Manager and its affiliates will utilize this allocation policy to determine how to allocate opportunities that may be appropriate for us or other of the Sub-Manager's or its affiliates' clients. As part of this policy, the Sub-Manager will consider a variety of factors in making allocation decisions, including a client's stated investment objectives, scope, criteria, guidelines, business strategy and available capital for investment. As a result, the Sub-Manager and its affiliates may determine, in its discretion, that it is appropriate to allocate opportunities to other clients in whole or in part as co-opportunities. The Sub-Manager will also consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs and our investment policy. Our board of directors has adopted its own allocation policy, which incorporates the Sub-Manager's allocation policy by reference. If we invest in a general partnership or joint venture with affiliates, management fees payable in connection with such an investment will be proportional to our respective interest in the investment or the value of services provided, as applicable, and will not result in duplicate fees. All acquisitions of our businesses will be approved by our board of directors. The independent directors of our board of directors will be responsible for oversight of the allocation process.

- Consistent with our allocation policy, in the event that a co-investment opportunity that the Manager has approved for potential participation does not close and the Sub-Manager and its affiliates accumulate broken deal costs in connection with the co-investment opportunity, the Sub-Manager and its affiliates will be required to allocate such broken deal costs among us and the other participating accounts. Broken deal costs will generally be allocated to us by the Sub-Manager *pro rata* based on our allocation in a proposed co-investment opportunity if our allocation in such co-investment opportunity has been determined; however, in the event that we expect to participate in a co-investment opportunity with Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), or LLCP Lower Middle Market Fund III, L.P. ("LMM III Fund") which accumulates broken deal costs and our allocation in such co-investment opportunity has not been determined, we will be allocated 5% of the broken deal costs with respect to a co-investment with LLCP VII, or 10% of the broken deal costs with respect to a co-investment with the LMM III Fund, subject to annual review by the Sub-Manager. We may similarly act as a dedicated co-investor for other private acquisition funds advised by affiliates of the Sub-Manager that are formed in the future, with our allocation percentage being determined at or prior to the time we begin pursuing co-investment opportunities with such vehicles and subject to annual review by the Sub-Manager. Additionally, on a quarterly basis, the Sub-Manager will identify third party broken deal costs for opportunities that were not presented to the Manager for prior approval but which are determined in the Sub-Manager's reasonable judgment and in a manner consistent with the Sub-Manager's fiduciary obligations to have qualified as a potential investment opportunity for us on a direct or co-investment basis (such opportunity, a "lookback broken deal"). Subject to approval by the Manager, we will reimburse the Sub-Manager for our allocable portion of third party broken deal expenses incurred in connection with a lookback broken deal. In the case of a lookback broken deal identified as an opportunity on a co-investment basis with LLCP VII or LMM III Fund, our allocable portion of such third party broken deal expenses will be 5% or 10%, respectively. Unless our board of directors approves otherwise, in no event will our portion of the aggregate lookback broken deal expenses exceed $75,000 on a calendar year basis.

- Our businesses may pay transaction fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees (except that no such transaction fees were charged on our acquisition of the initial businesses). These fees may be paid before we realize any income or gain. The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

See "Conflicts of Interest and Certain Relationships and Related Party Transactions."

Q: **How does a "best efforts" offering work?**

A: When securities are offered to the public on a "best efforts" basis, this means that the Managing Dealer is only required to use its best efforts to sell our shares and does not have a firm commitment or obligation to purchase any of the shares we are offering.

Q: **How long will this offering last?**

A: This is a continuous offering of our shares as permitted by the federal securities laws. We currently intend to sell shares in this offering until November 1, 2026 (two years after the date of this prospectus) and we may extend this offering one additional year if all of the shares we have registered are not yet sold within two years; however, we may suspend or terminate this offering sooner, or extend this offering as permitted under applicable securities laws, in each case with respect to any class of shares, and we would announce such event in a prospectus supplement. In addition, some states will require us to renew our registration annually in order to continue offering our shares beyond the initial registration period in such states. Your ability to purchase shares and submit shares for repurchase will not be affected by the expiration of this offering and the commencement of a new one.

Q: **Will you receive a certificate for your shares?**

A: No. Our board of directors has authorized the issuance of shares of our limited liability company interest without certificates. We do not expect to issue shares in certificated form, although we may decide to issue certificates in the future. We anticipate that all shares will be issued in book-entry form only. The use of book-entry registration protects against loss, theft or destruction of share certificates and reduces the offering costs.

Q: **Who can buy shares in this offering?**

A: In general, you may buy shares pursuant to this prospectus if you have either (1) a gross annual income of at least $70,000 and a net worth of at least $70,000, or (2) a net worth of at least $250,000. Additionally, certain states have established requirements for investors residing in those states. For this purpose, net worth does not include your home, home furnishings and automobiles. See "Suitability Standards."

Q: **For whom may an investment in our shares be appropriate?**

A: An investment in our shares may be appropriate for you if you:

- meet the minimum suitability standards described above under "Suitability Standards;"
- seek to receive the potential benefit of current income through regular distribution payments;
- wish to obtain the potential benefit of long-term capital appreciation; and
- are able to hold your shares as a long-term investment and do not need liquidity from your investment quickly in the near future.

We cannot assure you that an investment in our shares will allow you to realize any of these objectives. An investment in our shares is only intended for investors who do not need the ability to sell their shares quickly in the future since we are not obligated to repurchase any of our shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular quarter in our discretion, and the opportunity to have your shares repurchased under our share repurchase program may not always be available. See "Share Repurchase Program."

Q: **What is the purchase price for each share and how will you communicate changes to the purchase price for each share?**

A: The current public offering prices for our shares are $39.14 per Class A share, $37.62 per Class T share, $35.54 per Class D share and $36.23 per Class I share. Such prices may be adjusted by our board of directors. Our board of directors determines our net asset value for each class of our shares on a monthly basis. If our net asset value per share on such valuation date increases above or decreases below our net proceeds per share as stated in this prospectus, we will adjust the offering price per share of any of the classes of our shares, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction

of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share on such valuation date.

We will file a prospectus supplement or post-effective amendment to the registration statement with the SEC disclosing the adjusted offering prices and the effective date of such adjusted offering prices, and we will also post the updated pricing information on our website at *www.cnlstrategiccapital.com*. You may also obtain the current offering price by calling us by telephone at (866) 650-0650. If the new offering price per share for any of the classes of our shares being offered by this prospectus represents more than a 20% change in the per share offering price of our shares from the most recent offering price per share, we will file an amendment to the registration statement with the SEC to be declared effective by the SEC. We will attempt to file the amendment on or before such time in order to avoid interruptions in this offering; however, there can be no assurance that this offering will not be suspended while the SEC reviews any such amendment and until it is declared effective.

Q: **How much time do investors have to withdraw their subscriptions if the price changes after they subscribed?**

A: The monthly closing date on which we will accept subscriptions is expected to be the last business day of each month. Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be withdrawn at any time before the time it has been accepted by us. The purchase price per share to be paid by each investor will be equal to the price that is in effect on the date we accept such investor's subscription agreement in connection with our monthly closing. Generally, an investor will know the monthly closing date that applies to their subscription. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance. Funds received in connection with a subscription will be placed in a non-interest-bearing escrow account pending our monthly closing. However, there is no assurance that your subscription will be accepted or close on a succeeding month following your subscription date. See "Determination of Net Asset Value" and "Plan of Distribution."

Q: **What is the difference between the Class A, Class T, Class D, Class I, Class FA and Class S shares?**

A: We are offering four classes of shares to provide investors with more flexibility in making their investment in us and to provide broker dealers with more flexibility to facilitate investment in us. Class FA shares and Class S shares are not being offered in this offering. Each of our shares, regardless of class, will be entitled to one vote per share on matters presented to the shareholders for approval. The differences between the classes being offered in this offering relate to the sales load and shareholder fees payable in respect of each class. Specifically, we will pay a selling commission of up to 6.00% and pay the Managing Dealer a fee of up to 2.50% of the sale price for each Class A share sold in this offering. For Class T shares sold in this offering, we will pay a selling commission of up to 3.00% and pay the Managing Dealer a fee of up to 1.75% of the sale price for each Class T share sold in this offering. We will not pay an upfront selling commission with respect to Class D or Class I shares. We pay the distribution and shareholder servicing fee to our Managing Dealer, subject to certain limits, among other things, the 10% limit on total underwriting compensation, on the Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. Distributions on the non-founder shares may be lower than distributions on the founder shares because we are required to pay higher management and incentive fees to the Manager and the Sub-Manager with respect to the non-founder shares. Additionally, distributions on Class T shares and Class D shares may be lower than distributions on the Class A, Class FA, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to the Class T shares and Class D shares sold in this offering. In determining which class of shares you are eligible to purchase, you should consult with your investment or financial advisor and consider, among other factors, the amount of your investment, the anticipated length of time you intend to hold our shares assuming you are able to redeem, transfer or otherwise dispose of your shares, the applicable sales load and/or ongoing distribution and servicing fees with a particular class, your investment objective, investment account type, or the existence of applicable volume or other discounts. See "Summary of Our LLC Agreement—Classes of Shares" and "Plan of Distribution" for a discussion of the differences between our classes of shares.

Assuming a constant net asset value per share of $25 and assuming applicable distribution and shareholder servicing fees are paid until the 8.5% of gross proceeds limit described in "Compensation of the Manager, the Sub-Manager and the Managing Dealer-Distribution and Shareholder Servicing Fee to the Managing Dealer" is reached, we expect that a one-time investment in 400 shares of each class of our shares (representing an aggregate net asset value of $10,000 for each class) would be subject to the following upfront selling commissions, dealer manager fees and distribution and shareholder servicing fees:

	Upfront Selling Commissions	Dealer Manager Fees	Distribution and Shareholder Servicing Fees	Maximum Distribution and Shareholder Servicing Fees Over Life of Investment (Length of Time)	Total (Length of Time)
Class A shares	$600.00	$250.00	$ —	—	$850.00
Class T shares	$300.00	$175.00	$100.00	$375.00 (3.75 years)	$850.00 (3.75 years)
Class D shares	$ —	$ —	$50.00	$850.00 (17 years)	$850.00 (17 years)
Class I shares	$ —	$ —	$ —	—	—

Q: **What are the fees that we pay to the Manager, the Sub-Manager, their respective affiliates and the Managing Dealer in connection with this offering?**

A: The following table summarizes the compensation, reimbursements and distributions (exclusive of any distributions to which our affiliates may be entitled by reason of their purchase and ownership of shares in connection with this offering) we contemplate paying to the Manager, the Sub-Manager, the Managing Dealer and other affiliates, including amounts to reimburse their costs in providing services and for amounts advanced on our behalf, with respect to proceeds raised in our primary offering. In addition, for information concerning compensation to our independent directors, see "Management—Compensation of Independent Directors."

For purposes of illustrating these fees and expenses, we have assumed that we will sell the maximum of $1,000,000,000 in shares in this primary offering and assumes that 15% of the gross offering proceeds from this primary offering is from sales of Class A shares, 10% is from sales of Class T shares, 10% is from sales of Class D shares and 65% is from sales of Class I shares. Based on this allocation, we expect approximately $982,500,000 of the gross proceeds of the $1,000,000,000 in this primary offering will be available for acquisitions and the associated services fees and acquisition expenses, while the remaining amount will be used to pay selling commissions and dealer manager fees. The fees and expenses that we expect to pay or reimburse (except offering stage expenses) will be reviewed by our independent directors at least annually. All or a portion of the selling commissions and dealer manager fees will not be charged with regard to shares sold to certain categories of purchasers and for sales eligible for volume discounts and, in limited circumstances, the dealer manager fee may be reduced with respect to certain purchases. Although the following table represents the compensation and reimbursements we expect to pay to the Manager, the Managing Dealer and other affiliates in connection with the sale of assets and investment of the proceeds from this offering, there is no assurance our costs for these and/or other future services will remain unchanged throughout our duration. In addition, because these figures cannot be precisely calculated at this time, the actual fees payable may exceed these estimates.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
Selling commission to the Managing Dealer and participating brokers	We pay the Managing Dealer a selling commission up to 6.00% of the sale price for each Class A share and up to 3.00% of the sale price for each Class T share sold in this primary offering. The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.	Assuming we sell the maximum offering amount, all in Class A shares, the maximum amount of selling commissions payable to the Managing Dealer would be $60,000,000.
Dealer manager fee to the Managing Dealer and participating brokers	We pay the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and up to 1.75% of the price of each Class T share sold in this primary offering. The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.	Assuming we sell the maximum offering amount, all in Class A shares, the maximum amount of dealer manager fees payable to the Managing Dealer would be $25,000,000.
Distribution and Shareholder Servicing Fee to the Managing Dealer	We also pay the Managing Dealer ongoing distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
	distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fees accrue daily and are paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares, a broker-dealer with a fee-based platform, or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fees are ongoing fees that are allocated among all Class T and Class D shares, respectively, and are not paid at the time of purchase. We will cease paying the distribution and shareholder servicing fee with respect to Class T shares held in any particular account, and those Class T shares will convert into a number of Class A shares determined by multiplying each Class T share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class T shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class T shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class T shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those shares received as a distribution). We will also cease paying the distribution and shareholder servicing fee with respect to Class T shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class T shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class T shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class T shares that were redeemed and those Class T shares that were retained in the account. Likewise, if a portion of the Class T shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class T shares that were transferred and the Class T shares that were retained in the account. We will cease paying the distribution and shareholder servicing fee with respect to Class D shares held in any particular account, and those Class D shares will convert into a number of Class A shares determined by multiplying each Class D share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or	

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
	the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class D shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class D shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class D shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those received as a distribution). We will also cease paying the distribution and shareholder servicing fee with respect to Class D shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class D Shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class D shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class D shares that were redeemed and those Class D shares that were retained in the account. Likewise, if a portion of the Class D shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class D shares that were transferred and the Class D shares that were retained in the account.	
Reimbursement to the Manager, Sub-Manager and their respective affiliates for organizational and offering expenses	With respect to this offering, under the terms of the Management and Sub-Management Agreements between us and the Manager and the Sub-Manager, respectively, the Manager (and indirectly the Sub-Manager) is entitled to receive up to 1.5% of gross proceeds raised in this offering to recover cumulative organization and offering costs (other than selling commissions, dealer manager fees, and distribution and shareholder servicing fees) which have been funded by the Manager, the Sub-Manager or their respective affiliates. The Manager (and indirectly the Sub-Manager) is responsible for the payment of our organization and offering expenses to the extent that these expenses exceed 1.5% of the gross proceeds from this offering. Through the Sub-Management Agreement, the Sub-Manager is responsible for the payment of 50% of the portion of our aggregate organization and offering expenses to the extent that they exceed 1.5% of the gross proceeds from this offering, in each case, without recourse against or reimbursement by us. Notwithstanding the foregoing, we reimburse the Manager and its affiliates for organizational and offering costs only to the extent that (1) the total amount of all organizational and offering costs are reasonable and (2) solely in connection with this offering, the reimbursement would not cause the selling commissions, any dealer manager fee, the distribution and shareholder servicing fees and the other organizational and offering expenses borne by us to exceed 15.0% of the gross offering proceeds as of the date of the reimbursement. We have targeted an offering expense ratio of 1.0% for organizational and offering expenses.	Amount is not determinable at this time.
Base management fee to the Manager	The base management fee is calculated for each share class at an annual rate of (i) for the non-founder shares of a particular class, 2% of the product of (x) our average gross assets and (y) the ratio of non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
	the founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and will be payable monthly in arrears. The management fee for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets will reflect changes in the fair market value of our assets, which will not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation. Average Adjusted Capital of an applicable class is computed on the daily adjusted capital for such class for the actual number of days in such applicable month.	
Total Return incentive fee on income to the Manager	The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. We will accrue (but not pay) the total return incentive fee on a quarterly basis, to the extent that it is earned, and will perform a final reconciliation at completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee for each share class is calculated as follows: No total return incentive fee will be payable in any calendar year in which the annual Total Return to Shareholders of a particular share class does not exceed 7%. We refer to this as the annual preferred return. As it relates to our non-founder shares, all of our Total Return to Shareholders with respect to each particular share class of non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "non-founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the non-founder catch up. It is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular class once the Total Return to Shareholders of a particular share class exceeds 8.75% in any calendar year. As it relates to founder shares, all of our Total Return to Founder Shareholders, with respect to a particular share class of founders shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the founder catch up. It is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders once the Total Return to Founder Shareholders of a particular share class exceeds 7.777% in any calendar year. For any quarter in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for non-founder shares of a particular class, 20% of the Total Return to Non-founder Shareholders of such class, and for founder shares of a particular share class, 10% of the Total Return to Founder Shareholders, in each case because the annual preferred and relevant catch ups will have been achieved. The High Water Marks that will apply to the company's incentive fee calculation for the year ending December 31, 2024, will be $36.67 for our Class FA shares, $33.57 for our Class A shares, $33.64 for our Class T shares, $33.31 for our	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
	Class D shares, $34.06 for our Class I shares and $37.25 for Class S shares. These High Water Mark values are based on the net asset value of each share class as of December 31, 2023. For purposes of calculating the Total Return to Shareholders, the change in our net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the company since inception, adjusted for any special distributions resulting from the sale of our assets, provided such adjustment is approved by our board of directors. If, as of each calendar year end, our net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in our net asset value for such share class in excess of the High Water Mark, and (B) below the High Water Mark, for such calendar year, (i) any increase in our per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in our per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. "Total Return to Shareholders" for any calendar quarter is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of such calendar quarter end. "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable quarter. The annual preference return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar quarter end. Adjusted Capital is defined as cumulative proceeds generated from sales of our shares of a particular share class (including proceeds for a distribution reinvestment plan, if any), net of sales load (upfront selling commissions and dealer manager fees), if any, reduced for (i) distributions paid to our shareholders of such class that represent return of capital on a tax basis and (ii) the full amounts paid for share repurchases pursuant to our share repurchase program, if any for such class.	
Reimbursement to the Manager and Sub-Manager and their respective affiliates for operating expenses	We reimburse the Manager and the Sub-Manager and their respective affiliates for certain operating costs and expenses of third parties incurred in connection with their provision of services to us, including fees, costs, expenses, liabilities and obligations relating to our activities, acquisitions, dispositions, financings and business, subject to the terms of our LLC Agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement. See "Management—Management Agreement—Payment of Our Expenses," "Management—Sub-Management Agreement—Payment of Our Expenses" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Expense Support and Conditional Reimbursement Agreement." The Administrator and the Sub-Administrator each also provides certain administrative services to us and we may pay third-parties directly or reimburse the Administrator and the Sub-Administrator for costs and expenses of third parties for services provided to us. The Administrator and the Sub-Administrator are not reimbursed for administrative services performed by them for our benefit. See "Management—	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount
	Administrative Services—Administrative Services Agreement" and "Management—Administrative Services—Sub-Administration Agreement."	

Q: **If I buy shares, will I receive distributions and how often?**

A: Subject to our board of director's discretion and applicable legal restrictions, our board of directors has declared, and intends to continue to declare, cash distributions to shareholders based on monthly record dates and we have paid, and intend to continue to pay, such distributions on a monthly basis. However, there can be no assurance that we will pay distributions at a specific rate or at all. Distributions will be paid out of funds legally available. See "Distribution Policy."

Q: May I reinvest my cash distributions in additional shares?

A: Yes. We have adopted a distribution reinvestment plan in which shareholders (other than shareholders who are residents of Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Vermont and Washington (collectively the "Opt-in States"), holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares unless they elect to receive their distributions in cash. Shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan will automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. If you participate in our distribution reinvestment plan, the cash distributions attributable to the class of shares that you own will be automatically invested in additional shares of the same class (except for the holders of Class FA shares who may elect to have their cash distributions reinvested in Class A shares).

The purchase price for shares purchased under our distribution reinvestment plan will be equal to the most recently determined and published net asset value per share of the applicable class of shares. Holders of Class FA shares who elect to have their cash distributions reinvested in Class A shares will be issued on the same date that we hold our next monthly closing for Class A shares. We will not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T and Class D shares sold in this offering will be allocated among all Class T and Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Q: **How do I subscribe for shares?**

A: If you meet the suitability standards and choose to purchase shares in this offering, you should proceed as follows:

- Read this entire prospectus, including the section entitled "Risk Factors," and all appendices and supplements accompanying this prospectus.

- Complete and execute a copy of the subscription agreement. Subscription agreements may be manually executed by investors with either a physical signature or, where permitted by your financial intermediary, completed and executed electronically. A specimen copy of the subscription agreement, including instructions for completing it, is included in this prospectus as Appendix A. By signing the subscription agreement, you will be making the representations and warranties contained in the subscription agreement and you will be bound by all of the terms of the subscription agreement and of our LLC Agreement.

- Deliver a check or arrange for a wire payment for the full purchase price of the shares being subscribed for along with the completed subscription agreement to your participating broker-dealer. You should make your check payable to "UMB Bank, N.A., Escrow Agent for CNL Strategic Capital, LLC." After

you have satisfied the applicable minimum purchase requirement of $5,000, additional purchases must be in amounts of at least $500, except for purchases made pursuant to our distribution reinvestment plan.

- By executing the subscription agreement and paying the total purchase price for the shares subscribed for, each investor attests that he or she meets the suitability standards as stated in the subscription agreement and agrees to be bound by all of its terms.

We will schedule monthly closings on subscriptions received and accepted by us. However, there is no assurance that your subscription will close on the next succeeding month following your subscription date. The monthly closing date on which we will accept subscriptions is expected to be the last business day of each month. Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be withdrawn at any time before the time it has been accepted by us. Subscriptions will be effective only upon our acceptance, and we reserve the right, in our sole discretion, to accept or reject any subscription in whole or in part. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance. If the offering price is adjusted after an investor submits their subscription agreement and before the date we accept such subscription, the number of shares that an investor ultimately receives may vary. Funds received in connection with a subscription will be placed in a non-interest-bearing escrow account pending our monthly closing. We are not permitted to accept a subscription for our shares until at least five (5) business days after the date you receive this prospectus. Subscriptions will be accepted or rejected within thirty (30) calendar days of receipt by us. If your subscription is rejected, all subscription funds will be returned to you, without deduction for any expenses, within ten (10) business days from the date the subscription is rejected. If we accept your subscription, either your financial intermediary or our transfer agent will mail you a confirmation statement. See "Plan of Distribution."

Q: **If you buy shares in this offering, how may you later sell them?**

A: We do not intend to list any of our shares on any exchange or include them in any national quotation system and do not expect a public market to develop for our shares in the foreseeable future. Because of the lack of a trading market for our shares, shareholders may not be able to sell their shares promptly or at a desired price. If you are able to sell your shares, you may have to sell them at a discount to the purchase price of your shares.

We have adopted a share repurchase program to conduct quarterly share repurchases, but only a limited number of shares are eligible for repurchase. The aggregate amount of funds under our share repurchase program will be determined on a quarterly basis in the sole discretion of our board of directors. At the discretion of our board of directors, we may use cash on hand, including offering proceeds, cash available from borrowings, and cash from the sale of assets as of the end of the applicable period to repurchase shares. Our share repurchase program also limits the total amount of aggregate repurchases of Class A, Class FA, Class T, Class D, Class S and Class I shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The timing, amount and terms of our share repurchase program will include certain restrictions intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes. Our board of directors may amend or suspend the share repurchase program upon 30 days' prior notice to our shareholders. The repurchase price for your shares through the share repurchase program will generally be based on our most recently determined and published net asset value, and will not be based on any public trading market. To the extent the repurchase price for the applicable quarter is not made available by the tenth business day prior to the repurchase date, we may, in our sole discretion, extend the repurchase date into the immediately subsequent month to ensure such notice period is satisfied. Otherwise, no repurchase requests will be accepted for such quarter and shareholders who wish to have their shares repurchased the following quarter must resubmit their repurchase requests. All shares purchased by us pursuant to the terms of each repurchase will be retired and thereafter will be authorized and unissued shares. See "Share Repurchase Program."

Q: **Will there be a liquidity event for shareholders?**

A: Our board of directors intends to contemplate a liquidity event for our shareholders on or before November 1, 2027 (which is within six years from the date we terminated our initial public offering); however, our board of directors is under no obligation to pursue or complete any particular liquidity event during this timeframe or otherwise. A liquidity event could happen at any time, either before the completion of this offering or any time thereafter. We expect that our board of directors, in the exercise of its fiduciary duty to our shareholders, will decide to pursue a liquidity event when it believes that then-current market conditions are favorable for a liquidity event, and that such an event is in the best interests of our shareholders. There can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that timeframe. A liquidity event could include, among other transactions: (i) a sale of all or substantially all of our assets, either on a complete portfolio basis or individually, followed by a liquidation; (ii) subject to an affirmative vote of a two-thirds (2/3) super-majority of our outstanding shares, a decision to continue as a perpetual-life company with a self tender offer for a minimum of twenty-five percent (25%) of our outstanding shares; (iii) a merger or other transaction approved by our board of directors in which our shareholders will receive cash or shares of another publicly traded company; or (iv) a listing of our shares on a national securities exchange or a quotation through a national quotation system. However, there can be no assurance that we will complete a liquidity event within such time or at all.

If a liquidity event does not occur, shareholders may have to hold their shares for an extended period of time, or indefinitely. In making a determination of what type of liquidity event is in the best interest of our shareholders, our board of directors, including our independent directors, may consider a variety of criteria, including, but not limited to, asset diversification and performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our shares, internal management requirements to become a perpetual life company and the potential for investor liquidity. Notwithstanding the shareholder approval requirement in connection with a determination to continue as a perpetual-life company as discussed above in (ii), nothing shall prevent our board of directors from exercising its fiduciary duty on behalf of our company and our shareholders, including any limitation on our board of directors to conduct self tender offers or seek shareholder approval through multiple proxy attempts.

Q: **Is there any minimum initial investment required?**

A: Yes. To purchase shares in this offering, you must make an initial purchase of at least $5,000. Additionally, certain participating broker-dealers or registered investment advisers may have higher investment amount minimums for your initial purchase. Please contact your participating broker-dealer or registered investment adviser for their specific initial purchase amount requirements. Once you have satisfied the minimum initial purchase requirement, any additional purchases of our shares in this offering must be in amounts of at least $500, except for additional purchases pursuant to our distribution reinvestment plan. See "Plan of Distribution."

Q: **Can I invest through my IRA, SEP or after-tax deferred account?**

A: Yes, subject to the suitability standards. An approved trustee must process and forward to us subscriptions made through IRAs, Keogh plans and 401(k) plans. In the case of investments through IRAs, Keogh plans and 401(k) plans, our transfer agent will send the confirmation and notice of our acceptance to the trustee. Please be aware that in purchasing shares, custodians or trustees of employee pension benefit plans or IRAs may be subject to the fiduciary duties imposed by Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other applicable laws and to the prohibited transaction rules prescribed by Title I of ERISA and related provisions of Section 4975 of the Code. In addition, prior to purchasing shares, the trustee or custodian of an employee pension benefit plan or an IRA should determine that such an investment would be permissible under the governing instruments of such plan or account and applicable law. See "Suitability Standards" for more information.

While tax-exempt organizations generally are exempt from U.S. federal, state and local income taxation, tax-exempt shareholders may be subject to such taxation on their share of UBTI, which generally includes income or gain derived (either directly or through a partnership) from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the organization's exempt purpose or function. See "Certain U.S. Federal Income Tax Consequences—Tax Exempt Organizations" for more information.

Q: **How will the payment of fees and expenses affect my invested capital?**

A: The payment of fees and expenses will reduce the funds available to us to execute our business strategy as well as funds available for distribution to shareholders. The payment of fees and expenses will also reduce the value

of your shares. For a summary of the fees and expenses that we will incur, see "Compensation of the Manager, the Sub-Manager and the Managing Dealer."

Q: **Will the distributions I receive be taxable?**

A: As discussed below, we intend to be characterized as a partnership for U.S. federal income tax purposes. As a partnership, our shareholders will be allocated and taxed on their respective share of our items of income gain, loss, deduction and credit on an annual basis whether or not actual cash distributions are made by us. Accordingly, non-liquidating distributions on our shares generally will not be taxable to a shareholder. However, cash distributions in excess of a U.S. shareholder's adjusted tax basis in the shares generally will be treated as gain from the sale or exchange of the shares. See "Certain U.S. Federal Income Tax Consequences."

Q: **When will I get my detailed tax information?**

A: Because we will file a partnership return, tax information will be reported to investors on an IRS Schedule K-1 for each calendar year as soon as reasonably practicable after the end of each such year, and we will use our best efforts to provide such information no later than 75 days after the end of such year. Each K-1 provided to a holder of shares will set forth the holder's share of our items of income, gain, deduction, loss and credit for such year in a manner sufficient for a shareholder to complete its tax return with respect to its investment in the shares.

Q: **Are there any Investment Company Act of 1940 considerations?**

A: We are organized as a holding company that conducts its business primarily through its wholly- and majority-owned subsidiaries. We conduct and intend to continue to conduct our operations so that the company and each of its subsidiaries do not fall within, or are excluded from the definition of an "investment company" under the Investment Company Act of 1940, as amended, or the Investment Company Act. Under Section 3(a)(1)(A) of the Investment Company Act, a company is deemed to be an "investment company" if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. We believe that we are not to be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because we do not and will not engage primarily or hold ourselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we have and continue to intend to acquire stable and growing U.S. middle-market businesses with a focus on business services, consumer products, education, franchising, light manufacturing / specialty engineering, non-FDA regulated healthcare and safety companies. In addition, through the Manager and the Sub-Manager, we have been and intend to continue to be engaged with the acquired businesses in several areas, including (i) strategic direction and planning, (ii) supporting add-on acquisitions and introducing senior management to new business contacts, (iii) balance sheet management, (iv) capital markets strategies, and (v) optimization of working capital. We monitor the critical success factors of our acquired businesses on a daily/weekly basis and meet monthly with senior management of the companies we acquire in an operating committee environment to discuss their respective strategic, financial and operating performance. As a consequence, we primarily engage and hold ourselves out as being primarily engaged in the non-investment company businesses of these companies, which are or will become our wholly- or majority-owned subsidiaries.

Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an "investment company" if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the "40% test." Excluded from the term "investment securities," among other instruments, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exceptions under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We conduct operations, and intend to continue to conduct our operations, so that on an unconsolidated basis we and most of our subsidiaries will comply with the 40% test and no more than 40% of the assets of those subsidiaries will consist of investment securities. We expect that most, if not all, of our wholly- and majority-owned subsidiaries will fall outside the definitions of investment company under Section 3(a)(1)(A) and Section 3(a)(1)(C) or rely on an exception or exemption from the definition of investment company other than the exceptions under Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Consequently, interests in these subsidiaries (which currently constitute and are expected to continue to constitute most, if not all, of

our assets) generally will not constitute "investment securities." Accordingly, we believe that we are not considered and will not be considered an investment company under Section 3(a)(1)(C) of the Investment Company Act. We monitor our holdings on an ongoing basis and in connection with each of our business acquisitions to determine compliance with the 40% test.

The determination of whether an entity is our majority-owned subsidiary is made by us. Under the Investment Company Act, a majority-owned subsidiary of a person means a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act further defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We have not requested the SEC to approve our treatment of any company as a majority-owned subsidiary and the SEC has not done so. If the SEC, or its staff, were to disagree with our treatment of one of more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any such adjustment in our strategy could have a material adverse effect on us.

Additionally, we conduct and intend to continue to conduct operations so that we are not treated as a "special situation investment company" as such term has been interpreted by the SEC and by courts in judicial proceedings under the Investment Company Act. Special situation investment companies generally are companies which secure control of other companies primarily for the purpose of making a profit in the sale of the controlled company's securities. The types of companies that have been characterized by the SEC in SEC releases, the SEC staff or by courts in judicial proceedings under the Investment Company Act as "special situation investment companies" are those that, as part of their history and their stated business purpose, engage in a pattern of acquiring large or controlling blocks of securities in companies, attempting to control or to exert a controlling influence over these companies, improving their performance and then disposing of acquired share positions after a short-term holding period at a profit once the acquired shares increase in value. Special situation investment companies also follow a policy of shifting from one investment to another because greater profits seem apparent elsewhere. We monitor our business activities, including our acquisitions and divestments, on an ongoing basis to avoid being deemed a special situation investment company. One of the factors that distinguishes us from a "special situation investment company" is our policy of acquiring middle-market businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. See "Business—Business Strategy."

A change in the value of our assets could cause us or one or more of our wholly- or majority-owned subsidiaries to fall within the definition of "investment company" and negatively affect our ability to maintain our exclusion from registration under the Investment Company Act. To avoid being required to register the company or any of its subsidiaries as an investment company under the Investment Company Act, we may be unable to acquire businesses with an intention of disposing of them on a short-term basis. In addition, we may in other circumstances be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. We also may have to acquire additional income- or loss-generating assets that we might not otherwise have acquired or may have to forgo opportunities to acquire interests in companies that we would otherwise want to acquire and would be important to our business strategy.

If we become obligated to register the company or any of its subsidiaries as an investment company pursuant to the Investment Company Act, the registered entity would have to comply with a variety of substantive requirements under the Investment Company Act imposing, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

If we were required to register the company as an investment company pursuant to the Investment Company Act but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required

enforcement, and a court could appoint a receiver to take control of us and liquidate our business, all of which would have a material adverse effect on us.

Q: **Are there any restrictions on the transfer of shares?**

A: Subject to the restrictions in our LLC Agreement, our shares offered in this offering will be freely transferable, except where their transfer is restricted by federal and state tax laws, securities laws or by contract. We will not charge for transfers of shares except for necessary and reasonable costs actually incurred by us. See "Summary of Our LLC Agreement—Transfer of Our Shares—Restrictions on the Transfer of Shares and Withdrawal" for a detailed description of the transfer restrictions on our shares.

Q: **Who can help answer my questions?**

A: If you have more questions about this offering or if you would like additional copies of this prospectus, you should contact your investment representative or us by mail at Shareholder Services, CNL Strategic Capital, LLC, 450 S. Orange Ave., Suite 1400, Orlando, FL 32801, or by telephone at (866) 650-0650.

RISK FACTORS

Investing in our shares involves a number of significant risks. In addition to the other information contained in this prospectus, investors should consider carefully the following information before making an investment in our shares. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the value of our shares could decline, and investors may lose part or all of their investment.

Risks Related to this Offering and Our Shares

The offering prices may change on a monthly basis and investors may not know the offering price when they submit their subscription agreements.

The offering prices for our classes of shares may change on a monthly basis and investors will need to determine the price by checking our website at *www.cnlstrategiccapital.com* or reading a supplement to this prospectus. A subscriber may also obtain our current offering price by calling us by telephone at (866) 650-0650. In addition, if there are issues processing an investor's subscription, the offering price may change prior to the acceptance of such subscription. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance. See "Determination of Net Asset Value—Net Asset Value Determinations in Connection with this Continuous Offering."

Investors will not have the opportunity to evaluate the assets we acquire before we make them, which makes an investment in us more speculative.

We are not able to provide investors with information to evaluate the economic merit of the acquisitions we intend to make prior to our making them and investors will be relying entirely on the ability of the Manager, the Sub-Manager and our board of directors to select or approve, as the case may be, such acquisitions. Future opportunities may include the acquisition of businesses that are currently owned and/or controlled by the Sub-Manager or its affiliates. In connection with any acquisition of a business that involves the Sub-Manager or its affiliates (excluding co-investment opportunities acquired directly from third parties other than the Sub-Manager or its affiliates), we would seek a valuation from a third-party valuation firm, and such acquisition would be subject to approval of a majority of our independent directors.

Additionally, the Manager and the Sub-Manager, subject to oversight by our board of directors, have broad discretion to review, approve, and oversee our business and acquisition policies, to evaluate our acquisition opportunities and to structure the terms of such acquisitions and investors will not be able to evaluate the transaction terms or other financial or operational data concerning such acquisitions. Because of these factors, this offering may entail more risk than other types of offerings. Our board of directors has also delegated broad discretion to both of the Manager and Sub-Manager to implement our business and acquisitions strategies, which includes delegation of the duty to approve certain decisions consistent with the business and acquisition policies approved by our board of directors, our board of directors' fiduciary duties, and securities laws. This additional risk may hinder investors' ability to achieve their own personal investment objectives related to portfolio diversification, risk-adjusted returns, and other objectives.

The shares sold in this offering, our initial public offering, our initial follow-on public offering, and any of our private offerings will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Therefore, investors in this offering will have limited liquidity and may not receive a full return of their invested capital if investors sell their shares.

The shares offered by us are illiquid assets for which there is not expected to be any secondary market nor is it expected that any will develop in the future. The ability to transfer shares is limited. Pursuant to our LLC Agreement, we have the discretion under certain circumstances to prohibit transfers of shares, or to refuse to consent to the admission of a transferee as a shareholder. See "Summary of Our LLC Agreement—Transfer of Our Shares—Restrictions on the Transfer of Shares and Withdrawal." We have adopted a share repurchase program to conduct quarterly share repurchases but only a limited number of shares are eligible for repurchase. Moreover, investors should not rely on our share repurchase program as a method to sell shares promptly because our share repurchase program includes numerous restrictions that limit their ability to sell their shares to us, and our board of directors may amend or suspend our share repurchase program upon 30 days' prior notice to our shareholders if in its reasonable judgment it deems such action to be in our best interest and the best interest of our shareholders, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would

outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes. Upon suspension of our share repurchase program, our share repurchase program requires our board of directors to consider at least quarterly whether the continued suspension of the plan is in our best interest and the best interest of our shareholders; however, we are not required to authorize the recommencement of the share repurchase program within any specified period of time. Our board of directors cannot terminate our share repurchase program absent a liquidity event or where otherwise required by law. In such an event, we will notify our shareholders of such developments in a current report on Form 8-K or in our annual or quarterly reports, which will be posted on our website, and will also provide a separate communication to our shareholders. At the discretion of our board of directors, we may use cash on hand, including offering proceeds, cash available from borrowings, and cash from the sale of assets as of the end of the applicable period to repurchase shares. Our share repurchase program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The timing, amount and terms of our share repurchase program will include certain restrictions intended to maintain our ability to qualify as a partnership for U.S. federal income tax purposes. Therefore, it will be difficult for investors to sell their shares promptly or at all. If investors are able to sell their shares, investors may only be able to sell them at a substantial discount for the price they paid. Investor suitability standards imposed by certain states may also make it more difficult to sell their shares to someone in those states. The shares should be purchased as a long-term investment only.

Our board of directors intends to contemplate a liquidity event for our shareholders on or before November 1, 2027 (which is within six years from the date we terminated our initial public offering); however, our board of directors is under no obligation to pursue or complete any particular liquidity event during this timeframe or otherwise. A liquidity event could happen at any time, either before the completion of this offering or any time thereafter. We expect that our board of directors, in the exercise of its fiduciary duty to our shareholders, will decide to pursue a liquidity event when it believes that then-current market conditions are favorable for a liquidity event, and that such an event is in the best interests of our shareholders. There can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that timeframe. A liquidity event could include, among other transactions: (i) a sale of all or substantially all of our assets, either on a complete portfolio basis or individually, followed by a liquidation; (ii) subject to an affirmative vote of a two-thirds (2/3) super-majority of our outstanding shares, a decision to continue as a perpetual-life company with a self-tender offer for a minimum of twenty-five percent (25%) of our outstanding shares; (iii) a merger or other transaction approved by our board of directors in which our shareholders will receive cash or shares of another publicly traded company; or (iv) a listing of our shares on a national securities exchange or a quotation through a national quotation system. However, there can be no assurance that we will complete a liquidity event within such time or at all.

If a liquidity event does not occur, shareholders may have to hold their shares for an extended period of time, or indefinitely. In making a determination of what type of liquidity event is in the best interest of our shareholders, our board of directors, including our independent directors, may consider a variety of criteria, including, but not limited to, asset diversification and performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our shares, internal management requirements to become a perpetual life company and the potential for investor liquidity. Notwithstanding the shareholder approval requirement in connection with a determination to continue as a perpetual-life company as discussed above in (ii), nothing shall prevent our board of directors from exercising its fiduciary duty on behalf of our company and our shareholders, including any limitation on our board of directors to conduct self-tender offers or seek shareholder approval through multiple proxy attempts.

This is a "best efforts" offering and if we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make, and the value of your investment in us will fluctuate with the performance of the assets we acquire.

This is a "best efforts," as opposed to a "firm commitment" offering. This means that the Managing Dealer is not obligated to purchase any shares, but has only agreed to use its "best efforts" to sell the shares to investors. As a result, if we are unable to raise substantial funds, we will make fewer acquisitions resulting in less diversification in terms of the number of assets owned and the types of assets that we acquire. Participating broker-dealers in this offering are required to comply with Regulation Best Interest, which enhances the broker-dealer standard of conduct beyond current suitability obligations and requires participating broker-dealers in this offering to act in the best interest of each investor when making a recommendation to purchase shares in this offering, without placing their financial or other interest ahead of the investor's interests. See "Suitability Standards – Regulation Best Interest." The application of this enhanced standard of conduct may impact whether a broker-dealer recommends our shares for investment and consequently may adversely affect our ability to raise substantial funds in this offering. In particular, under SEC guidance concerning Regulation Best Interest, a broker-dealer recommending an investment in our shares should consider a number of factors under the duty of care obligation of Regulation Best Interest, including but not limited to cost and complexity of the investment and reasonably available alternatives, which alternatives are likely to exist, may be less costly or

have a lower investment risk, in determining whether there is a reasonable basis for the recommendation. As a result, high cost, high risk and complex products may be subject to greater scrutiny by broker-dealers. Broker-dealers may recommend a more costly or complex product as long as they have a reasonable basis to believe it is in the best interest of a particular retail customer. However, if broker-dealers choose alternatives to our shares, many of which likely exist, such as an investment in listed entities, which may be a reasonable alternative to an investment in us as such investments may feature characteristics like lower cost, nominal commissions at the time of initial purchase, less complexity and lesser or different risks, our ability to raise capital will be adversely affected. If Regulation Best Interest reduces our ability to raise capital in this offering, it would also harm our ability to create a diversified portfolio of investments and ability to achieve our objectives.

In such event, the likelihood of our profitability being affected by the performance of any one of our assets will increase. Your investment in our shares will be subject to greater risk to the extent that we lack asset diversification. In addition, our inability to raise substantial funds would increase our fixed operating expenses as a percentage of gross income, and our financial condition and ability to pay distributions could be adversely affected.

You should not assume that we will sell the maximum offering made by this prospectus, or any other particular offering amount. See "Plan of Distribution" and "Estimated Use of Proceeds."

Under our share repurchase program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, which may adversely affect our flexibility and our ability to achieve our investment objectives.

If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under our share repurchase program) until all outstanding repurchase requests ("Unfulfilled Repurchase Requests") have been satisfied. Additionally, during such time as there remains any requests under our share repurchase plan outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. If triggered, this requirement may prevent us from pursuing potentially accretive investment opportunities and may keep us from fully realizing our investment objectives. In addition, this requirement may limit our ability to pay distributions to our shareholders. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

The ongoing offering price may not accurately reflect the value of our assets.

Our board of directors determines our net asset value for each class of our shares on a monthly basis. If our net asset value per share on such valuation date increases above or decreases below our net proceeds per share as stated in this prospectus, we will adjust the offering price of any of the classes of our shares, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share on such valuation date. Ongoing offering prices for the shares in this offering will take into consideration other factors such as selling commissions, dealer manager fees, distribution and shareholder servicing fees and organization and offering expenses so the offering price will not be the equivalent of the value of our assets.

Valuations and appraisals of our assets are estimates of fair value and may not necessarily correspond to realizable value.

Our board of directors, with assistance from the Manager and the Sub-Manager, is ultimately responsible for determining in good faith the fair value of our assets for which market prices are not readily available. Our board of directors, including a majority of our independent directors and our audit committee, has adopted a valuation policy that provides for methodologies to be used to determine the fair value of our assets for purposes of our net asset value calculation. Our board of directors makes this determination on a monthly basis, and any other time when a decision is required regarding the fair value of our assets. Our board of directors has retained an independent valuation firm, Alvarez & Marsal Valuation Services, LLC, to assist the Manager and the Sub-Manager in preparing their recommendations with respect to our board of directors' determination of the fair values of assets for which market prices are not readily available. For a discussion of this process, see "Determination of Net Asset Value."

However, it may be difficult to reflect fully and accurately rapidly changing market conditions or material events that may impact the value of assets or liabilities between valuations, or to obtain quickly complete information regarding any such events. As a result, the net asset value per share may not reflect a material event until such time as sufficient information is available and analyzed, and the financial impact is fully evaluated, such that our net asset value may be appropriately adjusted in accordance with our valuation procedures.

Within the parameters of our valuation procedures, the valuation methodologies used to value our assets involves subjective judgments and projections and may not be accurate. Valuation methodologies also involve assumptions and opinions about future events, which may or may not turn out to be correct. Valuations of our assets are only estimates of fair value. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond our control and the control of the Manager, the Sub-Manager and the independent valuation firm. Further, valuations do not necessarily represent the price at which an asset would sell, since market prices of assets can only be determined by negotiation between a willing buyer and seller. As such, the carrying value of an asset may not reflect the price at which the asset could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In addition, accurate valuations are more difficult to obtain in times of low transaction volume because there are fewer market transactions that can be considered in the context of the valuation. The determinations of fair value by our board of directors may differ materially from the values that would have been used if an active market and market prices existed for these assets. Furthermore, through the valuation process, our board of directors may determine that the fair value of our assets that differs materially from the values that were provided by the independent valuation firm. There will be no retroactive adjustment in the valuation of such assets, the offering price of our shares, the price we paid to repurchase shares or net asset value-based fees we paid to the Manager, the Sub-Manager or the Managing Dealer to the extent such valuations prove to not accurately reflect the realizable value of our assets. Because the price investors will pay for our shares in this offering, and the price at which their shares may be repurchased by us pursuant to our share repurchase program are generally based on our most recently determined net asset value per share, they may pay more than realizable value or receive less than realizable value for their investment.

Our net asset value per share may change materially if the valuations of our assets materially change from prior valuations or the actual operating results for a particular month differ from what we originally budgeted for that month.

When the valuations of our assets are reflected in our net asset value calculations, there may be a material change in our net asset value per share for each class of our shares from those previously reported. In addition, actual operating results for a given month may differ from what we originally budgeted for that month, which may cause a material increase or decrease in the net asset value per share. We will not retroactively adjust the net asset value per share of each class of shares reported for the previous month. Therefore, because a new monthly valuation may differ materially from the prior valuation or the actual results from operations may be better or worse than what we previously budgeted, the adjustment to reflect the new valuation or actual operating results may cause the net asset value per share for each class of our shares to increase or decrease, and such increase or decrease will occur on the day the adjustment is made.

The amount of any distributions we may pay is uncertain. We may not be able to pay investors distributions, and our distributions may not grow over time.

Subject to our board of directors' discretion and applicable legal restrictions, our board of directors has declared, and intends to continue to declare cash distributions to shareholders. We intend to pay these distributions to our shareholders out of assets legally available for distribution. We cannot assure investors that we will achieve operating results that will allow us to make a targeted level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of the risks described in this prospectus. All distributions will be paid at the discretion of our board of directors and will depend on our earnings, our financial condition, compliance with applicable regulations and such other factors as our board of directors may deem relevant from time to time. We cannot assure investors that we will pay distributions to our shareholders in the future. We may pay all or a substantial portion of our distributions from various sources of funds available to us, including from expense support from the Manager and the Sub-Manager, borrowings, the offering proceeds and other sources, without limitation. We may pay some of our distributions from offering proceeds, borrowings, or from other sources, including cash resulting from expense support from the Manager and the Sub-Manager pursuant to an expense support and conditional reimbursement agreement (the "Expense Support and Conditional Reimbursement Agreement"). For the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018 distributions were paid from multiple sources and these sources included net investment income before expense support (reimbursement) of 55.6%, 76.9%, 76.3%, 65.2%, 42.3%, 61.7%, and 85.2%, reimbursable expense support of 0.1%, 0.0%, 0.0%, 0.0%, 33.2%, 23.5% and 11.1%, and offering proceeds of 44.3%, 23.1%, 23.7%, 34.8%, 24.5%, 14.8% and 3.7%, respectively. The Company will be required to repay expense support to the Manager and Sub-Manager in future periods which may reduce future income available for distributions. If we fund distributions from financings, then such financings will need to be repaid, and if we fund distributions from offering proceeds, then we will have fewer funds available for business opportunities, which may affect our ability to generate future cash flows from operations

and, therefore, reduce their overall return. In addition, if we fund distributions from borrowings, or other sources like expense support from the Manager and Sub-Manager, such sources may result in a liability to us which would cause our net asset value to decline more sharply than it otherwise would if we had not borrowed or used expense support to fund our distributions, which would negatively affect the price per share of our shares. We cannot predict when distribution payments sourced from debt and from proceeds will occur, and an extended period of such payments would likely be unsustainable.

Because the Managing Dealer is an affiliate of the Manager, investors will not have the benefit of an independent review of this offering or us customarily performed in underwritten offerings.

The Managing Dealer, CNL Securities Corp., is an affiliate of the Manager, and will not make an independent review of us or this offering. Accordingly, investors will have to rely on their own broker-dealer or distribution intermediary to make an independent review of the terms of this offering. If an investor's broker-dealer or distribution intermediary does not conduct such a review, they will not have the benefit of an independent review of the terms of this offering. Further, the due diligence investigation of us by the Managing Dealer cannot be considered to be an independent review and, therefore, may not be as meaningful as a review conducted by an unaffiliated broker-dealer or investment banker. In addition, we do not, and do not expect to, have research analysts reviewing our performance or our securities on an ongoing basis. Therefore, investors will not have an independent review of our performance and the value of our shares relative to publicly traded companies.

We may be unable to use a significant portion of the net proceeds of this offering on acceptable terms in the timeframe contemplated by the prospectus relating to this offering.

Delays in using the net proceeds of this offering may impair our performance. We cannot assure an investor that we will be able to identify any acquisition opportunities in a manner consistent with our business strategy or that any acquisition that we make will produce a positive return. We may be unable to use the net proceeds of this offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

Before we have raised sufficient funds to deploy the proceeds of this offering in acquisitions that are consistent with our business strategy, we will deploy the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements, certain leveraged loans and high-quality debt instruments maturing in one year or less from the time of acquisition, which may produce returns that are significantly lower than the returns which we expect to achieve in relation to the businesses and other assets we will seek to acquire. At times, cash invested in these temporary investments may be significant, particularly at times when we are receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. In the event we are unable to find suitable investments, such cash may be maintained for longer periods which would be dilutive to overall investment returns. This could cause a substantial delay in the time it takes for your investment to realize its full potential return and could adversely affect our ability to pay regular distributions of cash net investment income. In the event we fail to timely invest the net proceeds of this offering, our results of operations and financial condition may be adversely affected.

Investors' interest in us will be diluted if we issue additional shares, which could reduce the overall value of the investment.

Potential investors in this offering do not have pre-emptive rights to any shares we issue in the future. Our LLC Agreement authorizes us to issue 1,000,000,000 shares. Pursuant to our LLC Agreement, a majority of our entire board of directors may amend our LLC Agreement from time to time to increase or decrease the aggregate number of authorized shares or the number of authorized shares of any class or series without shareholder approval. After an investor's purchase of our shares, our board of directors may elect to sell additional shares in this or future public offerings, issue equity interests in private offerings or issue share-based awards to our independent directors, the Manager, the Sub-Manager and/or employees of the Manager or the Sub-Manager. To the extent we issue additional equity interests after an investor's purchase of our shares, their percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our assets, an investor may also experience dilution in the net asset value and fair value of their shares.

Investors will experience substantial dilution in the net tangible book value of their shares equal to the offering costs and sales load associated with their shares and will encounter substantial on-going fees and expenses.

If investors purchase our shares in this offering, there are substantial fees and expenses which will be borne by the investor initially and ongoing as an investor. Also, investors will incur immediate dilution in the net tangible book value of their shares equal to the offering costs and the sales load associated with their shares. There are also certain offering costs associated with the shares in this offering, which will be reimbursed to the Manager and the Sub-Manager. This means that the investors who purchase shares will pay a price per share that substantially exceeds the per share value of our assets after subtracting our liabilities.

Our business could be adversely affected if we fail to maintain our qualification as a "venture capital operating company," or VCOC, under the Plan Asset Regulation.

We currently operate our business in a manner so that it is intended to qualify as a venture capital operating company, or VCOC, under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Asset Regulation"), and therefore are not subject to the fiduciary requirements with respect to our assets. However, if we fail to satisfy the requirements to qualify as a VCOC for any reason and no other exception under the Plan Asset Regulation applies, such failure could materially interfere with our activities or expose us to risks related to our failure to comply with the requirements and the fiduciary responsibility standards of ERISA would apply to us, including the requirement of investment prudence and diversification, and certain transactions that we enter into, or may have entered into, in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Code. A non-exempt prohibited transaction, in addition to imposing potential fiduciary liabilities, may also result in the imposition of an excise tax under the Code upon a "party in interest" (as defined in Section 3(14) of ERISA) or "disqualified person" (as defined in Section 4975 of the Code) (collectively, "Parties in Interest") with whom we engaged in the transaction. Therefore, our business could be adversely affected if we fail to quality as a VCOC under the Plan Asset Regulation.

Risks Related to Our Organization and Structure

We may be unable to successfully implement our business and acquisition strategies or generate sufficient cash flow to make distributions to our shareholders.

We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will be unable to implement and execute our business strategy as described in this prospectus and that the value of our shares could decline substantially and, as a result, investors may lose part or all of their investment. Our financial condition and results of operations will depend on many factors including the availability of acquisition opportunities, readily accessible short and long-term financing, financial markets and economic conditions generally and the performance of the Manager and the Sub-Manager. There can be no assurance that we will be able to generate sufficient cash flow over time to pay our operating expenses and make distributions to shareholders.

Our ability to implement and execute our business strategy depends on the Manager's and the Sub-Manager's ability to manage and support our business operations. If the Manager or the Sub-Manager were to lose any members of their respective senior management teams, our ability to implement and execute our business strategy could be significantly harmed.

We have no internal management capacity or employees other than our appointed executive officers and will be dependent on the diligence, skill and network of business contacts of the Manager's and the Sub-Manager's senior management teams to implement and execute our business strategy. We also depend, to a significant extent, on the Manager's and the Sub-Manager's access to its investment professionals and the information and deal flow generated by these professionals. The Manager's and the Sub-Manager's senior management teams will evaluate, negotiate, structure, close, and monitor the assets we acquire. The departure of any of the Manager's or the Sub-Manager's senior management teams could have a material adverse effect on our ability to implement and execute our business strategy. We do not anticipate maintaining any key person insurance on any of the Manager's or the Sub-Manager's senior management teams.

Our board of directors may change our business and acquisition policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to investors.

Our board of directors has the authority to modify or waive our current business and acquisition policies, criteria and strategies without prior notice and without shareholder approval. In such event, we will promptly file a prospectus supplement and a current report on Form 8-K, disclosing any such modification or waiver. We cannot predict the effect any changes to our current business and acquisition policies, criteria and strategies would have on our business, operating results and value of our shares. However, the effects might be adverse, which could negatively impact our ability to pay investors distributions and cause investors to lose all or part of their investment. Moreover, we will have significant flexibility in deploying the net proceeds of this offering and may use the net proceeds from this offering in ways with which investors may not agree or for purposes other than those contemplated at the time of this offering.

If we internalize our management functions, investors' interest in us could be diluted, and we could incur other significant costs and face other significant risks associated with being self-managed.

Our board of directors may decide in the future to internalize our management functions. If we do so, we may elect to negotiate to acquire the Manager's or the Sub-Manager's assets and personnel. At this time, we cannot anticipate the form or amount of consideration or other terms relating to any such internalization transaction. Such consideration could take many forms, including

cash payments, promissory notes and shares. The payment of such consideration could result in dilution of an investor's interests as a shareholder and could reduce the earnings per share attributable to their investment.

In addition, while we would no longer bear the costs of the various fees and expenses we expect to pay to the Manager under the Management Agreement (50% of which is paid to the Sub-Manager under the Sub-Management Agreement), we would incur the compensation and benefits as well as the costs of our officers and other employees and consultants that we now expect will be paid by the Manager, the Sub-Manager or their respective affiliates. In addition, we may issue equity awards to officers and consultants, which awards would decrease net income and may further dilute an investor's investment. We cannot reasonably estimate the amount of fees we would save or the costs we would incur if we became self-managed. If the expenses we assume as a result of internalization are higher than the expenses we avoid paying to the Manager and the Sub-Manager, our earnings per share would be lower as a result of the internalization than they otherwise would have been, potentially decreasing the amount of funds available to distribute to our shareholders and the value of our shares. As currently organized, we do not expect to have any employees. If we elect to internalize our operations, we would employ personnel and would be subject to potential liabilities commonly faced by employers, such as workers disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances.

If we internalize our management functions, we could have difficulty integrating these functions as a stand-alone entity. In addition, we could have difficulty retaining such personnel employed by us. We expect individuals employed by the Manager and the Sub-Manager to perform asset management and general and administrative functions, including accounting and financial reporting for us. These personnel have a great deal of know-how and experience. We may fail to properly identify the appropriate mix of personnel and capital needs to operate as a stand-alone entity. An inability to manage an internalization transaction effectively could result in our incurring excess costs and/or suffering deficiencies in our disclosure controls and procedures or our internal control over financial reporting. Such deficiencies could cause us to incur additional costs, and our management's attention could be diverted from most effectively managing our assets.

In some cases, internalization transactions involving the acquisition of a manager have resulted in litigation. If we were to become involved in such litigation in connection with an internalization of our management functions, we could be forced to spend significant amounts of money defending ourselves in such litigation, regardless of the merit of the claims against us, which would reduce the amount of funds available to acquire additional assets or make distributions to our shareholders.

Anti-takeover provisions in our LLC Agreement could inhibit a change in control.

Provisions in our LLC Agreement may make it more difficult and expensive for a third party to acquire control of us, even if a change of control would be beneficial to our shares. Under our LLC Agreement, our shares have only limited voting rights on matters affecting our business and therefore have limited ability to influence management's decisions regarding our business. In addition, our LLC Agreement contains a number of provisions that could make it more difficult for a third party to acquire, or may discourage a third party from acquiring control of the company. These provisions include:

- restrictions on our ability to enter into certain transactions with major holders of our shares modeled on the limitation contained in Section 203 of the Delaware General Corporation Law, or the DGCL;
- establishing a board of directors divided into three classes – Class I, Class II and Class III – serving staggered three-year terms, such that not all members of the board of directors will be elected at one time, making it more difficult for shareholders to change the composition of our board of directors;
- allowing only the company's board of directors to fill vacancies, including newly created directorships;
- requiring that directors may be removed, with or without cause, only by a vote of a majority of the issued and outstanding shares;
- requiring advance notice for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by holders of our shares at a meeting of shareholders;
- permitting each of the Manager and Sub-Manager, respectively, to initially appoint a non-independent director and, thereafter, to nominate such non-independent director's replacement upon such non-independent director's failure to stand for re-election, resignation, removal from office, death or incapacity;
- our ability to issue additional securities, including securities that may have preferences or are otherwise senior in priority to our shares; and
- limitations on the ability of our shareholders to call special meetings of the shareholders.

We may have conflicts of interest with the noncontrolling shareholders of our businesses.

The boards of directors of the businesses we acquire controlling interests in will have fiduciary duties to all their shareholders, including the company and noncontrolling shareholders. As a result, they may make decisions that are in the best interests of their shareholders generally but which are not necessarily in the best interest of the company or our shareholders. In dealings with the company, the directors of these businesses may have conflicts of interest and decisions may have to be made without the participation of directors appointed by us, and such decisions may be different from those that we would make.

An investor's investment return may be reduced if we are required to register as an investment company under the Investment Company Act.

We are organized as a holding company that conducts its business primarily through its wholly- and majority-owned subsidiaries. We conduct and intend to continue to conduct our operations so that the company and each of its subsidiaries do not fall within, or are excluded from the definition of an "investment company" under the Investment Company Act. Under Section 3(a)(1)(A) of the Investment Company Act, a company is deemed to be an "investment company" if it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. We believe that we are not to be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because we do not and will not engage primarily or hold ourselves out as being engaged primarily in the business of investing, reinvesting or trading in securities. Rather, we have and continue to intend to acquire stable and growing middle-market U.S. businesses with a focus on business services, consumer products, education, franchising, light manufacturing / specialty engineering, non-FDA regulated healthcare and safety companies. In addition, through the Manager and the Sub-Manager, we have been and intend to continue to be engaged with the acquired businesses in several areas, including (i) strategic direction and planning, (ii) supporting add-on acquisitions and introducing senior management to new business contacts, (iii) balance sheet management, (iv) capital markets strategies, and (v) optimization of working capital. We monitor the critical success factors of our acquired businesses on a daily/weekly basis and meet monthly with senior management of the companies we acquire in an operating committee environment to discuss their respective strategic, financial and operating performance. As a consequence, we primarily engage and hold ourselves out as being primarily engaged in the non-investment company businesses of these companies, which are or will become our wholly- or majority-owned subsidiaries.

Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an "investment company" if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire "investment securities" having a value exceeding 40% of the value of its total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, which we refer to as the "40% test." Excluded from the term "investment securities," among other instruments, are U.S. Government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exceptions under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We conduct operations, and intend to continue to conduct our operations, so that on an unconsolidated basis we and most of our subsidiaries will comply with the 40% test and no more than 40% of the assets of those subsidiaries will consist of investment securities. We expect that most, if not all, of our wholly- and majority-owned subsidiaries will fall outside the definitions of investment company under Section 3(a)(1)(A) and Section 3(a)(1)(C) or rely on an exception or exemption from the definition of investment company other than the exceptions under Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Consequently, interests in these subsidiaries (which currently constitute and are expected to continue to constitute most, if not all, of our assets) generally will not constitute "investment securities" for purposes of Section 3(a)(1)(C) of the Investment Company Act. Accordingly, we believe that we are not considered and will not be considered an investment company under Section 3(a)(1)(C) of the Investment Company Act. We monitor our holdings on an ongoing basis and in connection with each of our business acquisitions to determine compliance with the 40% test.

The determination of whether an entity is our majority-owned subsidiary is made by us. Under the Investment Company Act, a majority-owned subsidiary of a person means a company 50% or more of the outstanding voting securities of which are owned by such person, or by another company which is a majority-owned subsidiary of such person. The Investment Company Act further defines voting securities as any security presently entitling the owner or holder thereof to vote for the election of directors of a company. We treat companies in which we own at least a majority of the outstanding voting securities as majority-owned subsidiaries for purposes of the 40% test. We have not requested the SEC to approve our treatment of any company as a majority-owned subsidiary and the SEC has not done so. If the SEC, or its staff, were to disagree with our treatment of one of more companies as majority-owned subsidiaries, we would need to adjust our strategy and our assets in order to continue to pass the 40% test. Any such adjustment in our strategy could have a material adverse effect on us. See "Risk Factors—Risks Related to this Offering and Our Shares—If, in the future, we cease to control and operate our businesses, we may be deemed to be an investment company under the Investment Company Act."

Additionally, we conduct and intend to continue to conduct operations so that we are not treated as a "special situation investment company" as such term has been interpreted by the SEC and its staff and by courts in judicial proceedings under the Investment

Company Act. Special situation investment companies generally are companies which secure control of other companies primarily for the purpose of making a profit in the sale of the controlled company's securities. The types of companies that have been characterized by the SEC in SEC releases, the SEC staff or by courts in judicial proceedings under the Investment Company Act as "special situation investment companies" are those that, as part of their history and their stated business purpose, engage in a pattern of acquiring large or controlling blocks of securities in companies, attempting to control or to exert a controlling influence over these companies, improving their performance and then disposing of acquired share positions after a short-term holding period at a profit once the acquired shares increase in value. Special situation investment companies also follow a policy of shifting from one investment to another because greater profits seem apparent elsewhere. We monitor our business activities, including our acquisitions and divestments, on an ongoing basis to avoid being deemed a special situation investment company. One of the factors that distinguishes us from a "special situation investment company" is our policy of acquiring middle-market U.S. businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. See "Business—Business Strategy."

A change in the value of our assets could cause us or one or more of our wholly- or majority-owned subsidiaries to fall within the definition of "investment company" and negatively affect our ability to maintain our exclusion from registration under the Investment Company Act. To avoid being required to register the company or any of its subsidiaries as an investment company under the Investment Company Act, we may be unable to acquire businesses with an intention of disposing of them on a short-term basis. In addition, we may in other circumstances be unable to sell assets we would otherwise want to sell and may need to sell assets we would otherwise wish to retain. We also may have to acquire additional income- or loss-generating assets that we might not otherwise have acquired or may have to forgo opportunities to acquire interests in companies that we would otherwise want to acquire and would be important to our business strategy.

If we become obligated to register the company or any of its subsidiaries as an investment company pursuant to the Investment Company Act, the registered entity would have to comply with a variety of substantive requirements under the Investment Company Act imposing, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

If we were required to register the company as an investment company pursuant to the Investment Company Act but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business, all of which would have a material adverse effect on us and the returns generated for shareholders.

If, in the future, we cease to control and operate our businesses, we may be deemed to be an investment company under the Investment Company Act.

Under the terms of our LLC Agreement, we have the latitude to acquire equity interests in businesses that we will not operate or control. If we make significant acquisitions of equity interests in businesses that we do not operate or control or cease to operate and control such businesses, we may be deemed to be an investment company under the Investment Company Act. If we were deemed to be an investment company under the Investment Company Act, we would either have to register as an investment company under the Investment Company Act, obtain exemptive relief from the SEC or modify our equity interests and debt positions or organizational structure or our contract rights to fall outside the definition of an investment company under the Investment Company Act. Registering as an investment company pursuant to the Investment Company Act could, among other things, materially adversely affect our financial condition, business and results of operations, materially limit our ability to borrow funds or engage in other transactions involving leverage and require us to add directors who are independent of us, the Manager and the Sub-Manager and otherwise will subject us to additional regulation that will be costly and time-consuming. See "Risk Factors—Risks Related to Our Organization and Structure—An investor's investment return may be reduced if we are required to register as an investment company under the Investment Company Act" for more information.

Risks Related to the Manager, the Sub-Manager and Their Respective Affiliates.

Our success will be dependent on the performance of the Manager and the Sub-Manager and their respective affiliates, but investors should not rely on the past performance of the Manager, the Sub-Manager and their respective affiliates as an indication of future success. Prior to our initial public offering, affiliates of CNL had only sponsored real estate and credit investment programs.

The Manager was formed in August 2016. The Sub-Manager was formed in September 2016 other than with respect to us and has limited experience managing a business under guidelines designed to allow us to avoid registration as an investment company under the Investment Company Act, which may hinder our ability to take advantage of attractive acquisition opportunities and, as a result, implement and execute our business strategy. In addition, other than with respect to us the Sub-Manager has limited experience complying with regulatory requirements applicable to public companies. We cannot guarantee that we will be able to find suitable acquisition opportunities and our ability to implement and execute our business strategy and to pay distributions will be dependent upon the performance of the Manager and the Sub-Manager in the identification and acquisition of such opportunities and the management of our businesses and other assets. Additionally, investors should not rely on the past performance of investments by other CNL- or LLCP-affiliated entities to predict our future results. Our business strategy and key employees differ from the business strategies and key employees of certain other CNL- or LLCP-affiliated programs in the past, present and future. Prior to our initial public offering, affiliates of CNL had only sponsored real estate and credit investment programs. If either the Manager or the Sub-Manager fails to perform according to our expectations, we could be materially adversely affected.

The Manager, the Sub-Manager and their respective affiliates, including our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders.

The Manager, the Sub-Manager and their respective affiliates will receive substantial fees from us (directly or indirectly) in return for their services, and these fees could influence the advice provided to us. Among other matters, the compensation arrangements could affect their judgment with respect to public and private offerings of equity by us, which allow the Managing Dealer to earn additional dealer manager fees and the Manager and the Sub-Manager to earn increased management fees. The Administrator and the Sub-Administrator will also face conflicts of interests with respect to their performance of various administrative services that we require, including, but not limited to, conflicts that may arise from the Administrator's and the Sub-Administrator's decisions with respect to the allocation of their time and resources as they relate to their recommendations and oversight of the personnel, facilities and services provided to us, and the quality of professional and administrative services rendered by their respective affiliates to us. The Manager, the Sub-Manager and their respective affiliates, including certain of our officers and some of our directors, will face conflicts of interest including conflicts that may result from compensation arrangements. The Manager compensates the members of its management committee with incentive-based compensation, asset-based compensation and/or bonuses and awards which will vary based on the Manager's performance.

The incentive fees that we may pay to the Manager (50% of which would be paid to the Sub-Manager) may create an incentive for the Manager and the Sub-Manager to make acquisitions on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee is determined may encourage the Manager and the Sub-Manager to use leverage to increase the return on our assets. In addition, the fact that our base management fee for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, which would include any borrowings for investment purposes, may encourage the Manager and the Sub-Manager to use leverage or to acquire additional assets. The use of leverage increases the volatility of assets by magnifying the potential for gain or loss on invested equity capital. In addition, we and our shareholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the management fees payable to the Manager. Our businesses may pay fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees. These fees may be paid before we realize any income or gain. The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand. Furthermore, our board of directors is responsible for determining the net asset value of our assets (with the assistance from the Manager, the Sub-Manager and the independent valuation firm) and, because the base management fee is payable monthly and for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, a higher net asset value of our assets would result in a higher base management fee to the Manager and the Sub-Manager. See "Conflicts of Interest and Certain Relationships and Related Party Transactions."

We pay 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.

The Manager and the Sub-Manager perform services for us in connection with the identification, selection and acquisition of our assets, and the monitoring and administration of our assets. We pay the Manager and the Sub-Manager certain fees for management services, including a base management fee that is not tied to the performance of our assets. We pay fees and commissions to the Managing Dealer in connection with the offer and sale of the shares. We may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services. Since the Administrator and the Sub-Administrator are affiliates of the Manager and the Sub-Manager, respectively, they may experience conflicts of interests when seeking expense reimbursement from us. Similarly, our businesses may pay fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees. These fees reduce the amount of cash available for acquisitions or distribution to our shareholders. These fees also increase the risk that the amount available for distribution to shareholders upon a liquidation of our assets would be less than the purchase price of the shares in this offering and that investors may not earn a profit on their investment. For additional information regarding these fees and expense reimbursements, see "Compensation of the Manager, the Sub-Manager and the Managing Dealer."

The time and resources that individuals associated with the Manager and the Sub-Manager devote to us may be diverted.

We currently expect the Manager, the Sub-Manager and their respective officers and employees to devote such time as shall be necessary to conduct our business affairs in an appropriate manner. However, the Manager, the Sub-Manager and their respective officers and employees are not required to do so. Moreover, neither the Manager, the Sub-Manager nor their affiliates are prohibited from raising money for and managing another entity that competes with us or our businesses, except as agreed to by the Manager and the Sub-Manager. Accordingly, the respective management teams of the Manager and the Sub-Manager may have obligations to investors in entities they work at or manage in the future, the fulfillment of which might not be in the best interests of us or our shareholders or that may require them to devote time to services for other entities, which could interfere with the time available to provide services to us. In addition, we may compete with any such investment entity for the same investors and acquisition opportunities.

We do not have a policy that expressly prohibits our directors, officers, or affiliates from engaging for their own account in business activities of the types conducted by us.

We do not have a policy that expressly prohibits our directors, officers, or affiliates from engaging for their own account in business activities of the types conducted by us. However, our code of business conduct contains a conflicts of interest policy that prohibits our directors and executive officers, as well as personnel of the Manager and the Sub-Manager who provide services to us, from engaging in any transaction that involves an actual conflict of interest with us without the approval of a majority of our independent directors. In addition, the Management Agreement and the Sub-Management Agreement do not prevent the Manager, the Sub-Manager and their respective affiliates from engaging in additional business opportunities, some of which could compete with us, except as agreed to by the Manager and the Sub-Manager.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs, our businesses and their respective other accounts and clients.

The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients; compensation to the Manager, the Sub-Manager and their respective affiliates; services that may be provided by the Manager, the Sub-Manager and their respective affiliates to our businesses; co-investment opportunities for us and the allocation of such opportunities to us and other clients of the Manager and the Sub-Manager; the formation of investment vehicles by the Manager or the Sub-Manager; differing recommendations given by the Manager and the Sub-Manager to us versus other clients; the Manager's and the Sub-Manager's use of information gained from our businesses for investments by other clients, subject to applicable law; and restrictions on the Manager's and the Sub-Manager's use of "inside information" with respect to potential acquisitions by us.

In connection with the services that the Sub-Manager or its affiliates may provide to the businesses we acquire, the Sub-Manager may be paid transaction fees in connection with services customarily performed in connection with the management of such businesses (except that no such transaction fees were charged on our acquisition of the initial businesses). Any transaction fees received by the Sub-Manager up to $1.5 million to $3.5 million annually (dependent on our total assets at the time of receipt of such transaction fees) will not be shared with us. Any transaction fees charged to businesses in excess of $3.5 million will be paid to us. See "Management—Sub-Management Agreement—Transaction Fees." Additionally, these fees may be paid before we realize any income or gain. We may also reimburse the Sub-Manager for certain transactional expenses (e.g., research costs, due diligence costs, professional fees, legal fees and other related items) related to businesses that we acquire as well as transactional expenses related to deals that do not close, often referred to as "broken deal costs." The Manager and the Sub-Manager may face

conflicts of interest with respect to services performed for our businesses, on the one hand, and opportunities recommended to us, on the other hand.

The Sub-Manager may experience conflicts of interests in its management of other clients that may have a similar business strategy as us.

The Sub-Manager and its affiliates currently manage other clients and may in the future manage new clients that may have a similar business strategy as us. The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine it is more appropriate for one or more other clients managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. These co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other participating accounts, including the amount of such co-investment opportunity allocated to us.

The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to the Exclusivity Agreement and its obligations thereunder, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy. Furthermore, subject to the company's investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on behalf of the company).

Consistent with our allocation policy, in the event that a co-investment opportunity that the Manager has approved for potential participation does not close and the Sub-Manager and its affiliates accumulate broken deal costs in connection with the co-investment opportunity, the Sub-Manager and its affiliates will be required to allocate such broken deal costs among us and the other participating accounts. Broken deal costs will generally be allocated to us by the Sub-Manager *pro rata* based on our allocation in a proposed co-investment opportunity if our allocation in such co-investment opportunity has been determined; however, in the event that we expect to participate in a co-investment opportunity with LLCP VII or LMM III Fund which accumulates broken deal costs and our allocation in such co-investment opportunity has not been determined, we will be allocated 5% of the broken deal costs with respect to a co-investment with LLCP VII, or 10% of the broken deal costs with respect to a co-investment with the LMM III Fund, subject to annual review by the Sub-Manager. We may similarly act as a dedicated co-investor for other private acquisition funds advised by affiliates of the Sub-Manager that are formed in the future, with our allocation percentage being determined at or prior to the time we begin pursuing co-investment opportunities with such vehicles and subject to annual review by the Sub-Manager. Additionally, on a quarterly basis, the Sub-Manager will identify third party broken deal costs for opportunities that were not presented to the Manager for prior approval but which are determined in the Sub-Manager's reasonable judgment and in a manner consistent with the Sub-Manager's fiduciary obligations to have qualified as a potential investment opportunity for us on a direct or co-investment basis (such opportunity, a "lookback broken deal"). Subject to approval by the Manager, we will reimburse the Sub-Manager for our allocable portion of third party broken deal expenses incurred in connection with a lookback broken deal. In the case of a lookback broken deal identified as an opportunity on a co-investment basis with LLCP VII or LMM III Fund, our allocable portion of such third party broken deal expenses will be 5% or 10%, respectively. Unless our board of directors approves otherwise, in no event will our portion of the aggregate lookback broken deal expenses exceed $75,000 on a calendar year basis.

The Manager and its respective affiliates may have an incentive to delay a liquidity event, which may result in actions that are not in the best interest of our shareholders.

We pay certain amounts to the Managing Dealer and participating broker-dealers in connection with the distribution of certain classes of shares for the ongoing marketing, sale and distribution of such shares, including an ongoing distribution and shareholder servicing fee. The ongoing distribution and shareholder servicing fee for these classes of shares will terminate for all shareholders upon a liquidity event. As such, the Manager may have an incentive to delay a liquidity event or making such recommendation to our board of directors if such amounts receivable by the Managing Dealer have not been fully paid. A delay in a liquidity event may not be in the best interests of our shareholders.

Our access to confidential information may restrict our ability to take action with respect to our businesses, which, in turn, may negatively affect our results of operations.

We, directly or through the Manager or the Sub-Manager, may obtain confidential information about our businesses. If we possess confidential information about such businesses, there may be restrictions on our ability to dispose of, increase the amount of, or otherwise take action with respect to, our interests in those businesses. The impact of these restrictions on our ability to take action with respect to such businesses could have an adverse effect on our results of operations.

We may be obligated to pay the Manager and the Sub-Manager incentive fees even if there is a decline in the value of our assets for that calendar year and even if our earned interest income is not payable in cash.

The Management Agreement and the Sub-Management Agreement entitle the Manager and the Sub-Manager to receive an incentive fee based on the total return of each class of our shares regardless of any capital losses. In such case, we may be required to pay the Manager and the Sub-Manager an incentive fee for a calendar year even if there is a decline in the value of our assets for that calendar year or if our net asset value is less than the purchase price of an investor's shares.

Any incentive fee payable by us that relates to the total return of each class of our shares may be computed and paid on income that may include interest that has been accrued but not yet received or interest in the form of securities received rather than cash ("payment-in-kind" or "PIK" income) or based on unrealized gains. If one of our businesses defaults on a loan that is structured to provide accrued interest income, it is possible that accrued interest income previously included in the calculation of the incentive fee will become uncollectible. The Manager and the Sub-Manager are not obligated to reimburse us for any part of the incentive fee they received that was based on accrued interest income that we never received as a result of a subsequent default or an unrealized gain.

The Manager's and the Sub-Manager's liability is limited under the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable, and we are required to indemnify the Manager and the Sub-Manager against certain liabilities, which may lead them to act in a riskier manner on our behalf than it would when acting for their own account.

The Manager and the Sub-Manager have not assumed any responsibility to us other than to render the services described in the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable. Pursuant to the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, as applicable, the Manager, the Sub-Manager and their respective officers, managers, partners, members, agents, employees, controlling persons, shareholders, and any other person or entity affiliated with the Manager and the Sub-Manager will not be liable to us or any of our subsidiaries' members, stockholders or partners in connection with the performance of any duties or obligations under the Management Agreement, the Sub-Management Agreement, the Administrative Services Agreement and the Sub-Administration Agreement, absent negligence or misconduct in the performance of the Manager's or the Sub-Manager's duties, as applicable. We have also agreed to indemnify, defend and protect the Manager, the Sub-Manager and their respective officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with the Manager and the Sub-Manager with respect to all damages, liabilities, costs and expenses incurred in or by reason of any pending, threatened or completed, action suit investigation or other proceeding resulting from acts of the Manager and the Sub-Manager not arising out of negligence or misconduct in the performance of the Manager's or the Sub-Manager's duties, as applicable, under such agreements. These protections may lead the Manager and the Sub-Manager to act in a riskier manner when acting on our behalf than it would when acting for their own account.

Each of the Manager and the Sub-Manager can resign on 120 days notice and, pursuant to the Sub-Management Agreement, the Manager and the Sub-Manager have agreed to resign if the other is terminated for anything other than cause and we may not be able to find suitable replacement(s) within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

The Manager has the right, under the Management Agreement, to resign at any time on 120 days written notice, whether we have found a replacement or not. If the Manager resigns, we may not be able to contract with a new manager or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 120 days, or at all, in which case our operations are likely to experience a disruption and our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected. In addition, the coordination of our internal management, business activities and supervision of our businesses is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Manager and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our businesses may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

The Sub-Manager also has the right, under the Sub-Management Agreement, to resign at any time on 120 days written notice, whether the Manager or the company has found a replacement or not. If the Sub-Manager resigns, the Manager and the company may not be able to contract with a new sub-manager. The Sub-Management Agreement provides that, in the event the Manager or the Sub-Manager is terminated or not renewed as a manager or sub-manager, other than for cause, the other will also terminate its Management Agreement or Sub-Management Agreement, as applicable. In such case, our operations are likely to experience a disruption and our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected.

Risks Related to Our Business

A business strategy focused primarily on privately held companies presents certain challenges, including the lack of available information about these companies.

We intend to continue to acquire controlling interests in privately held, middle-market U.S. businesses which by their nature pose certain incremental risks as compared to public companies including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under their debt securities that we may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees we may have obtained in connection with our acquisition;
- may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our privately held company and, in turn, on us; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, our executive officers, directors and members of the Manager's and the Sub-Manager's management may, in the ordinary course of business, be named as defendants in litigation arising from our ownership of these companies.

In addition, interests in private companies tend to be less liquid. The securities of private companies are not publicly traded or actively traded on the secondary market and are, instead, traded on a privately negotiated over-the-counter secondary market for institutional investors. These over-the-counter secondary markets may be inactive during an economic downturn or a credit crisis. In addition, the securities in these companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. If there is no readily available market for these assets, we are required to carry these assets at fair value as determined by our board of directors. As a result, if we are required to liquidate all or a portion of our assets quickly, we may realize significantly less than the value at which we had previously recorded these assets. We may also face other restrictions on our ability to liquidate our ownership of a business to the extent that we, the Manager, the Sub-Manager or any of their respective affiliates have material nonpublic information regarding such business or where the sale would be an impermissible joint transaction. The reduced liquidity of these assets may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses.

Finally, little public information generally exists about private companies and these companies may not have third-party credit ratings or audited financial statements. We must therefore rely on the ability of the Manager and the Sub-Manager to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from these business opportunities. Additionally, these companies and their financial information will not generally be subject to the Sarbanes-Oxley Act and other rules that govern public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed business decision, and we may lose money on our assets.

We face risks with respect to the evaluation and management of future acquisitions.

A significant component of our business strategy is to acquire controlling equity interests in businesses. We intend to focus on middle-market U.S. businesses in various industries. Generally, because such businesses are held privately, we may experience

difficulty in evaluating potential target businesses as the information concerning these businesses is not publicly available. Therefore, our estimates and assumptions used to evaluate the operations, management and market risks with respect to potential target businesses may be subject to various risks. Further, the time and costs associated with identifying and evaluating potential target businesses and their industries may cause a substantial drain on our resources and may divert our management team's attention away from operations for significant periods of time. In addition, we may incur substantial broken deal costs in connection with acquisition opportunities that are not consummated.

In addition, we may have difficulty effectively managing the businesses we acquire. The management or improvement of businesses we acquire may be hindered by a number of factors including limitations in the standards, controls, procedures and policies of such acquisitions. Further, the management of an acquired business may involve a substantial reorganization resulting in the loss of employees and customers or the disruption of our ongoing businesses. Some of the businesses we acquire may have significant exposure to certain key customers, the loss of which could negatively impact our financial condition, business and results of operations. We may experience greater than expected costs or difficulties relating to such acquisition, in which case, we might not achieve the anticipated returns from any particular acquisition, which may have a material adverse effect on our financial condition, business and results of operations.

In addition, certain members of the management teams of our businesses have, and may have in the future, the opportunity to participate in equity incentive programs which are expected to be based on the satisfaction of certain performance criteria and metrics and may include receipt of options. Although we believe such awards are important incentives for the management teams of our businesses, such awards could decrease our percentage ownership in a business to the extent such award vests and is exercised in the future.

If we cannot obtain debt financing or equity capital on acceptable terms, our ability to finance future acquisitions of businesses and expand our operations will be adversely affected.

The net proceeds from the sale of our shares in this offering, the initial follow-on public offering, the initial public offering, and private offerings will be used to finance the acquisition of businesses, and, if necessary, the payment of operating expenses and the payment of various fees and expenses such as management fees, incentive fees, other fees and distributions. Any working capital reserves we maintain may not be sufficient for business purposes, and we may require additional debt financing or equity capital to operate. These sources of funding may not be available to us due to unfavorable economic conditions, which could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. Consequently, if we cannot obtain further debt or equity financing on acceptable terms, our ability to fund the acquisition of businesses and to expand our operations will be adversely affected. As a result, we would be less able to execute our business strategy, which may negatively impact our results of operations and reduce our ability to make distributions to our shareholders.

We may face increasing competition for acquisition opportunities, which could delay deployment of our capital, reduce returns and result in losses.

We compete for acquisitions with strategic buyers, private equity funds and diversified holding companies. Additionally, we may compete for loans with traditional financial services companies such as commercial banks. Certain competitors are substantially larger and have greater financial, technical and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us, and others may have higher risk tolerances or different risk assessments. These characteristics could allow our competitors to consider a wider variety of acquisition opportunities, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose acquisition opportunities if we do not match our competitors' pricing, terms or structure. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable risk-adjusted returns on our businesses or may bear risk of loss, which may have a material adverse effect on our business, financial condition and results of operations. In addition, if we lose an acquisition opportunity, we may still incur broken deal costs related to the review of an opportunity that is not consummated, which could be substantial.

We rely on receipts from our businesses to make distributions to our shareholders.

We are dependent upon the ability of our businesses to generate earnings and cash flow and distribute them to us in the form of interest and principal payments of indebtedness and, from time to time, distributions on equity to enable us, first, to satisfy our financial obligations and, second to make distributions to our shareholders. This ability may be subject to limitations under laws of the jurisdictions in which they are incorporated or organized. As a consequence of these various restrictions, we may be unable to generate sufficient receipts from our businesses, and therefore, we may not be able to declare, or may have to delay or cancel payment of, distributions to our shareholders.

We do not intend to own 100% of our businesses. While we receive cash payments from our businesses which are in the form of interest payments, debt repayment and distributions, if any distributions were to be paid by our businesses, they would be shared

pro rata with the minority shareholders of our businesses and the amounts of distributions made to minority shareholders would not be available to us for any purpose, including debt service or distributions to our shareholders. Any proceeds from the sale of a business will be allocated among us and the non-controlling shareholders of the business that is sold.

We anticipate acquiring controlling interests in a limited number of businesses and these businesses may be subject to unplanned business interruptions.

We anticipate acquiring controlling interests in a limited number of companies. As a result, the performance of our business may be substantially adversely affected by the unfavorable performance of even a single business. Further, operational interruptions and unplanned events at one or more production facilities of these businesses, such as explosions, fires, inclement weather, natural disasters, pandemics, accidents, transportation interruptions and supply chain related disruptions could cause substantial losses in our production capacity. Furthermore, because customers may be dependent on planned deliveries from us, customers that have to reschedule their own operations due to our delivery delays may be able to pursue financial claims against us, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Such interruptions may also harm our reputation among actual and potential customers, potentially resulting in a loss of business. To the extent these losses are not covered by insurance, our financial position, results of operations and cash flows may be adversely affected by such events.

The outbreak of highly infectious or contagious diseases could materially and adversely impact our business, our operating businesses, our financial condition, results of operations and cash flows.

Outbreaks of pandemic or contagious diseases, such as the novel coronavirus ("COVID-19") or its variants, could materially and adversely affect our business, our operating businesses, our financial condition, results of operations and cash flows. Our portfolio companies could be prevented from conducting business activities in the future as a result of, among other things, any quarantines, work and travel restrictions, supply chain disruptions and labor shortages in response to pandemics. Since certain aspects of the services provided by our businesses involve face to face interaction, any quarantines and work and travel restrictions in response to pandemics may reduce participation or result in a loss of business. Additionally, since certain of the products offered by our businesses are manufactured in a facility or distributed through retail stores, a closure of such facility, loss in business for such retail store, or our businesses' inability to obtain raw materials and to ship products in a timely and cost-effective manner due to pandemics could have an adverse impact on production schedules and product sales. Further, if the U.S. and global economy slow down or consumer behavior shifts due to future pandemics, the demand for the products or services offered by our operating businesses may be reduced. Any future pandemics could present material uncertainty and risk with respect to our business, our operating businesses, our financial condition, results of operations and cash flows.

In certain circumstances, certain business analyses and decisions by the Manager and the Sub-Manager may be required to be undertaken on an expedited basis.

While we generally will not seek to make an acquisition until the Sub-Manager has conducted sufficient due diligence to make a determination whether to pursue an acquisition opportunity, in such cases, the information available to the Manager and the Sub-Manager at the time of making an acquisition decision may be limited. In certain circumstances, the business analyses and decisions by the Manager and the Sub-Manager may be required to be undertaken on an expedited basis to take advantage of acquisition opportunities. Therefore, no assurance can be given that the Manager and the Sub-Manager will have knowledge of all circumstances that may adversely affect such decision. In addition, the Manager and the Sub-Manager expect often to rely upon independent consultants in connection with its evaluation of proposed acquisitions. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and we may incur liability as a result of such consultants' actions.

Our success is dependent on general economic, political and market conditions.

Our portfolio companies and the success of our investment activities in particular are affected by global and national economic, political and market conditions generally and also by the local economic conditions where our portfolio companies are located and operate. These factors may affect the businesses our portfolio companies operate, which could impair the profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect our investment opportunities and the value of our investments.

Although the valuations and pricing of durable and high quality private companies have increased in the last couple of years, ongoing competition for high quality private companies may reduce anticipated returns in the future. Furthermore, economic growth remains affected by inflationary pressure, higher interest rates, recessionary concerns, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. For example, in response to inflationary pressure, the U.S. Federal Reserve and other global central banks raised interest rates in 2022 and 2023. Although interest rates have begun to subside, we cannot predict with certainty any future action that the U.S. Federal Reserve and/or any other global central bank may take with respect to interest rates. A negative shock to the economy could result in reduced valuations and multiples for the acquisitions. There can be no assurance that our investments will not be adversely affected by a severe slowing of the economy or renewed recession. Fluctuations in interest rates, inflationary pressure, supply chain issues, changes in labor and material costs, and limited availability of capital and other economic conditions beyond our control could negatively affect our portfolio and decrease the value of our investments.

Any of the following events could result in substantial impact to our portfolio companies and to the value of our investments in these portfolio companies:

- changes in global, national, regional or local economic, demographic or capital market conditions;
- a recession, slowdown or sustained downturn in the U.S. market, and to a lesser extent, the global economy (or any particular segment thereof);
- overall weakening of, or disruptions in, the financial markets;
- future adverse acquisitions trends, including increasing multiples and pricing of private companies, declining yield on investments;
- perceived or actual economic distress or failures of financial institutions;
- future adverse valuation trends, including the compression of the multiples used for valuations;
- changes in supply of or demand for products/services offered by our portfolio companies;
- increased competition for businesses/portfolio companies targeted by our investment strategy;
- increases in interest rates and inflationary pressures on labor rates and input costs, which may impact the margins of our portfolio companies;
- any supply chain related disruptions exacerbated by pandemics and changes in labor and material costs which may have a pronounced impact on the profitability of our portfolio companies;
- geopolitical challenges and uncertainties (including wars and other forms of conflict, terrorist acts and security operations); and
- changes in government rules, regulations and fiscal policies, including increases in taxes, changes in zoning laws and increasing costs to comply with environmental laws.

All of these factors are beyond our control. Any negative changes in these factors could affect our performance and our ability to meet our obligations and make distributions to shareholders.

We will be exposed to risks associated with changes to overall pricing and valuation multiples of durable and high-quality private companies.

Although the valuations and pricing of durable and high quality private companies have increased in the last couple of years, ongoing competition for high quality private companies and resulting upward pressure on pricing may increase the acquisition cost of our assets and, as a result, could reduce anticipated returns in the future. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. A negative shock to the economy could result in reduced valuations and multiples for our existing businesses. There can be no assurance that our businesses will not be adversely affected by a severe slowing of the economy or renewed recession. Fluctuations in interest rates, inflationary pressure, supply chain issues and limited availability of capital and other economic conditions beyond our control could negatively affect our portfolio and decrease the value of our assets.

Financial results of certain of our businesses may be affected by the operating results of and actions taken by their franchisees.

Certain of our businesses may receive a substantial portion of their revenues in the form of royalties, which are generally based on a percentage of gross sales from franchisees. Accordingly, financial results of such businesses are to a large extent dependent upon the operational and financial success of their franchisees. If sales trends or economic conditions deteriorate for franchisees, their financial results may also deteriorate and the royalties paid to such businesses may decline and the accounts receivable and related allowance for doubtful accounts may increase. In addition, if the franchisees fail to renew their franchise agreements, royalty revenues of these businesses may decrease which in turn may materially and adversely affect business and operating results of these businesses.

Additionally, although franchisees are contractually obligated to operate their businesses in accordance with the operations, safety, and health standards set forth in agreements between our businesses and their franchisees, such franchisees are independent third

parties whom we or our businesses do not control. The franchisees own, operate, and oversee the daily operations of their business and have sole control over all employee and other workforce decisions. As a result, the ultimate success and quality of any franchisee's business rests with the franchisee. If franchisees do not successfully operate their business in a manner consistent with required standards, royalty income paid to our businesses may be adversely affected and brand image and reputation could be harmed, which in turn could materially and adversely affect business and operating results of our businesses.

For certain of our businesses, a limited number of customers may account for a large portion of their net sales, so that if one or more of the major customers were to experience difficulties in fulfilling their obligations to such businesses, cease doing business with such businesses, significantly reduce the amount of their purchases from such businesses or return substantial amounts of such businesses' products, it could have a material adverse effect on our business, financial condition and results of operations.

For certain of our businesses, a limited number of customers may account for a large portion of their gross sales, so that if one or more of the major customers of such businesses were to experience difficulties in fulfilling their obligations to such businesses, cease doing business with such businesses, significantly reduce the amount of their purchases from such businesses or return substantial amounts of such businesses' products, it could have a material adverse effect on our business, financial condition and results of operations. Except for outstanding purchase orders for specific products, certain of our businesses may not have written contracts with or commitments from any of their customers and pursuant to the terms of certain of their vendor agreements, even some purchase orders may be cancelled without penalty until delivery. A substantial reduction in or termination of orders from any of their largest customers could adversely affect their business, financial condition and results of operations. In addition, pressure by large customers seeking price reductions, financial incentives, and changes in other terms of sale or for these businesses to bear the risks and the cost of carrying inventory could also adversely affect business, financial condition and results of operations of our businesses. In addition, the bankruptcy or other lack of success of one or more of the significant customers could negatively impact such businesses' revenues and bad debt expense.

Some of our businesses are or may be dependent upon the financial and operating conditions of their customers and clients. If the demand for their customers' and clients' products and services declines, demand for their products and services will be similarly affected and could have a material adverse effect on their financial condition, business and results of operations.

The success of our businesses' customers' and clients' products and services in the market and the strength of the markets in which these customers and clients operate affect our businesses. Our businesses' customers and clients are subject to their own business cycles, thus posing risks to these businesses that are beyond our control. These cycles are unpredictable in commencement, severity and duration. Due to the uncertainty in the markets served by most of our businesses' customers and clients, our businesses cannot accurately predict the continued demand for their customers' and clients' products and services and the demands of their customers and clients for their products and services. As a result of this uncertainty, past operating results, earnings and cash flows may not be indicative of our future operating results, earnings and cash flows. If the demand for their customers' and clients' products and services declines, demand for their products and services will be similarly affected and could have a material adverse effect on their financial condition, business and results of operations.

Certain of our businesses compete in highly competitive markets which are subject to the risk of market disruption including from the development and advancement of new technologies and there can be no assurance that our businesses will be able to compete successfully.

Some of our businesses are and may be subject to a variety of federal, state and foreign laws and regulations concerning employment, health, safety and products liability. Failure to comply with governmental laws and regulations could subject them to, among other things, potential financial liability, penalties and legal expenses which could have a material adverse effect on our financial condition, business and results of operations.

Some of our businesses are and may be subject to various federal, state and foreign government employment, health, safety and products liability regulations. Compliance with these laws and regulations, which may be more stringent in some jurisdictions, is a major consideration for our businesses. Government regulators generally have considerable discretion to change or increase regulation of our operations, or implement additional laws or regulations that could materially adversely affect our businesses. Noncompliance with applicable regulations and requirements could subject our businesses to investigations, sanctions, product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions. Suffering any of these consequences could materially adversely affect our financial condition, business and results of operations. In addition, responding to any action may result in a diversion of the Manager's, the Sub-Manager's and our executive officers' attention and resources from our operations.

Some of our businesses are and may be subject to federal, state and foreign environmental laws and regulations that expose them to potential financial liability. Complying with applicable environmental laws requires significant resources, and if our businesses fail to comply, they could be subject to substantial liability.

Some of the facilities and operations of our businesses are and may be subject to a variety of federal, state and foreign environmental laws and regulations including laws and regulations pertaining to the handling, storage and transportation of raw materials, products and wastes, which require and will continue to require significant expenditures to remain in compliance with such laws and regulations currently in place and in the future. Compliance with current and future environmental laws is a major consideration for certain of our businesses as any material violations of these laws can lead to substantial liability, revocations of discharge permits, fines or penalties. Because some of our businesses may use hazardous materials in their operations, they may be subject to potential financial liability for costs associated with the investigation and remediation of their own sites if such sites become contaminated. Even if they fully comply with applicable environmental laws and are not directly at fault for the contamination, such businesses may still be liable.

The identification of presently unidentified environmental conditions, more vigorous enforcement by regulatory agencies, enactment of more stringent laws and regulations, or other unanticipated events may arise in the future and give rise to material environmental liabilities, higher than anticipated levels of operating expenses and capital investment or, depending on the severity of the impact of the foregoing factors, costly plant relocation, all of which could have a material adverse effect on our financial condition, business and results of operations.

Some of our businesses are subject to certain risks associated with business they conduct in foreign jurisdictions.

Some of our businesses conduct business in foreign jurisdictions. Certain risks are inherent in conducting business in foreign jurisdictions, including:

- exposure to local economic conditions;
- difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- longer payment cycles for foreign customers;
- adverse currency exchange controls;
- exposure to risks associated with changes in foreign exchange rates;
- potential adverse changes in the political environment of the foreign jurisdictions or diplomatic relations of foreign countries with the United States;
- withholding taxes and restrictions on the withdrawal of foreign investments and earnings;
- export and import restrictions;
- labor relations in the foreign jurisdictions;
- difficulties in enforcing intellectual property rights; and
- required compliance with a variety of foreign laws and regulations.

Some of the businesses we acquire may rely on their intellectual property and licenses to use others' intellectual property, for competitive advantage. If they are unable to protect their intellectual property, are unable to obtain or retain licenses to use others' intellectual property, or if they infringe upon or are alleged to have infringed upon others' intellectual property, it could have a material adverse effect on their financial condition, business and results of operations.

Each business' success depends in part on their, or licenses to use others' brand names, proprietary technology and manufacturing techniques. Such businesses may rely on a combination of patents, trademarks, copyrights, trade secrets, confidentiality procedures and contractual provisions to protect their intellectual property rights. The steps they have taken to protect their intellectual property rights may not prevent third parties from using their intellectual property and other proprietary information without their authorization or independently developing intellectual property and other proprietary information that is similar. In addition, the laws of foreign countries may not protect the intellectual property rights of these companies effectively or to the same extent as the laws of the United States.

Stopping unauthorized use of their proprietary information and intellectual property, and defending against claims that they have made unauthorized use of others' proprietary information or intellectual property, may be difficult, time-consuming and costly. The use of their intellectual property and other proprietary information by others, and the use by others of their intellectual

property and proprietary information, could reduce or eliminate any competitive advantage they have developed, cause them to lose sales or otherwise harm their business.

Some of the businesses we acquire may become involved in legal proceedings and claims in the future either to protect their intellectual property or to defend allegations that they have infringed upon others' intellectual property rights. These claims and any resulting litigation could subject them to significant liability for damages and invalidate their property rights. In addition, these lawsuits, regardless of their merits, could be time consuming and expensive to resolve and could divert management's time and attention. The costs associated with any of these actions could be substantial and could have a material adverse effect on their financial condition, business and results of operations.

Some of the businesses we acquire may be subject to certain risks associated with the movement of businesses offshore.

Some of the businesses we acquire may be potentially at risk of losing business to competitors operating in lower cost countries. An additional risk is the movement offshore of some customers of these businesses we control, leading them to procure products or services from more closely located companies. Either of these factors could negatively impact our financial condition, business and results of operations.

Defaults by our businesses will harm our operating results.

A business's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its debt financing and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize such business's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting business. Further, there may not be any prepayment penalty for our borrowers who prepay their loans. If borrowers choose to prepay their loans, we may not receive the full amount of interest payments otherwise to be received by us.

Our businesses may incur debt that ranks equally with, or senior to, our debt in such businesses.

Our businesses may have, or may be permitted to incur, other debt that ranks equally with, or senior to, our debt in such businesses. By their terms, such debt may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to our debt in such business. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of our business, holders of debt instruments ranking senior to our debt in that business would typically be entitled to receive payment in full before we receive any distribution. After repaying such senior creditors, such business may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with our debt in the business, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant business.

We may not have the funds or ability to make additional capital contributions or loans to our businesses.

After our initial acquisition of an equity stake in a business or loans to such business, we may be called upon from time to time to provide additional funds to such business or have the opportunity to increase our capital contributions. There is no assurance that we will make, or will have sufficient funds to make, follow-on contributions. Even if we do have sufficient capital to make a desired follow-on contribution, we may elect not to make a follow-on contribution because we may not want to increase our level of risk or we prefer other opportunities. Our ability to make follow-on contributions may also be limited by the Manager's and the Sub-Manager's allocation policies. Any decisions not to make a follow-on contribution or any inability on our part to make such a contribution may have a negative impact on such business, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce our expected return with respect to the business.

The debt positions we will typically acquire in connection with our acquisition of controlling equity interests in businesses may be risky, and we could lose all or part of our assets.

When we acquire a controlling equity interest in a business, we also will typically acquire a debt position in such business, which may be in the form of senior or subordinated securities. When we acquire senior debt, we will generally seek to take a security interest in the available assets of a business, including equity interests in any of its subsidiaries. There is a risk that the collateral securing our loans may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the business to raise additional capital. Also, in some circumstances, our lien could be subordinated to claims of other creditors. In addition, deterioration in such business's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a

loan is secured does not guarantee that we will receive principal and interest payments according to the loan's terms, or at all, or that we will be able to collect on the loan should we be forced to enforce our remedies.

Our acquisitions of subordinated debt will generally be subordinated to senior debt and will generally be unsecured, which may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These acquisitions may involve additional risks that could adversely affect our returns as compared to our acquisition of senior debt. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject us and our shareholders to non-cash income. We will not receive any principal repayments prior to the maturity of most of our subordinated debt, which may be of greater risk than amortizing loans.

We have acquired, and may acquire in the future, debt and minority interests in businesses and, if we do so, we may not be in a position to control such businesses, and their respective management team may make decisions that could decrease the value of our assets.

We anticipate that most of our net assets will be used for acquisitions which will involve controlling equity interests in businesses, but we have acquired, and may acquire in the future, only debt and/or minority interests in certain businesses. If we do so, we will be subject to risk that such businesses may make business decisions with which we disagree, and the management of such businesses may take risks or otherwise act in ways that do not serve our best interests. As a result, such businesses may make decisions that could decrease the value of our assets. In addition, we will generally not be in a position to control any business by acquiring its debt securities.

We have also participated, and may participate in the future, in co-investment opportunities with affiliates of the Sub-Manager or with other third parties through partnerships, joint ventures or other entities, thereby acquiring jointly-controlled or non-controlling interests in businesses in conjunction with participation by one or more parties in such opportunity. As participants in such co-investment opportunities, we may have economic or other business interests or objectives that are inconsistent with those of our third-party partners or co-venturers. We may not have a right to participate in the operation, management, direction or control of such businesses, and our ability to redeem or sell all or a portion of our investment may be subject to significant restrictions. Furthermore, such co-investment opportunities may involve risks not present in acquisitions where a third party is not involved, including the possibility that we may incur liabilities as the result of actions taken by the controlling party and that a third-party partner or co-venturer may have financial difficulties and may have different liquidity objectives.

The credit ratings of certain of our assets may not be indicative of the actual credit risk of such rated instruments.

Rating agencies rate certain debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities. Therefore, the credit rating assigned to a particular instrument may not fully reflect the true risks of an investment in such instrument. Credit rating agencies may change their methods of evaluating credit risk and determining ratings. These changes may occur quickly and often. While we may give some consideration to ratings, ratings may not be indicative of the actual credit risk of our assets that are in rated instruments. In fact, most debt securities that we intend to acquire will not be rated by any rating agency and, if they were rated, they would most likely be rated as below investment grade quality. Debt securities rated below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower's capacity to pay interest and repay principal.

Subordinated liens on collateral securing debt that we may acquire in businesses may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain debt that we will acquire in businesses may be secured on a second priority basis by the same collateral securing senior debt of such businesses. The first priority liens on the collateral will secure the business's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by such business under the agreements governing the debt. In the event of a default, the holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the debt obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the debt obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the business's remaining assets, if any.

We may also acquire unsecured debt in businesses, meaning that such acquisitions will not benefit from any interest in collateral of such businesses. Liens on any such business's collateral, if any, will secure such business's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by such business under its secured debt agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured debt obligations after payment in full of all secured debt obligations. If such proceeds were not sufficient to repay the outstanding secured debt obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the business's remaining assets, if any.

The rights we may have with respect to the collateral securing the debt we acquire in businesses with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

There may be circumstances where the loans we make to businesses could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Although we intend to generally structure certain of our acquisitions as secured debt, if one of our businesses were to go bankrupt, depending on the facts and circumstances, including the extent to which we provided managerial assistance to such company or a representative of us or the Manager and the Sub-Manager sat on the board of directors of such company, a bankruptcy court might re-characterize our debt in a business and subordinate all or a portion of our claim to that of other creditors. In situations where a bankruptcy carries a high degree of political significance, our legal rights may be subordinated to other creditors.

In addition, a number of U.S. judicial decisions have upheld judgments obtained by borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or members. Because of the nature of our assets in businesses, we may be subject to allegations of lender liability.

Certain of our assets may be adversely affected by laws relating to fraudulent conveyance or voidable preferences.

Certain of our assets could be subject to federal bankruptcy law and state fraudulent transfer laws, which vary from state to state, if the debt obligations relating to such assets were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such debt obligations. If the debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the debt obligations was a fraudulent transfer or conveyance, the court could void or otherwise refuse to recognize the payment obligations under the debt obligations or the collateral supporting such obligations, further subordinate the debt obligations or the liens supporting such obligations to other existing and future indebtedness of the issuer or require us to repay any amounts received by us with respect to the debt obligations or collateral. In the event of a finding that a fraudulent transfer or conveyance occurred, we may not receive any repayment on the debt obligations.

Under certain circumstances, payments to us and distributions by us to our shareholders may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, assets involving restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

We may acquire various structured financial instruments for purposes of "hedging" or reducing our risks, which may be costly and ineffective and could reduce the cash available to service our debt or for distribution to our shareholders.

We may seek to hedge against interest rate and currency exchange rate fluctuations and credit risk by using structured financial instruments such as futures, options, swaps and forward contracts. Use of structured financial instruments for hedging purposes may present significant risks, including the risk of loss of the amounts invested. Defaults by the other party to a hedging transaction can result in losses in the hedging transaction. Hedging activities also involve the risk of an imperfect correlation between the hedging instrument and the asset being hedged, which could result in losses both on the hedging transaction and on the instrument being hedged. Use of hedging activities may not prevent significant losses and could increase our losses. Further, hedging transactions may reduce cash available to service our debt or pay distributions to our shareholders.

The downgrade of the U.S. credit rating could negatively impact our business, financial condition and results of operations.

U.S. debt ceiling and budget deficit concerns continue to present the possibility of a credit-rating downgrade, economic slowdowns, or a recession for the United States. The impact of any downgrades to the U.S. government's sovereign credit rating could adversely affect the U.S. and global financial markets and economic conditions. These developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. Continued adverse economic conditions could have a material adverse effect on our business, financial condition and results of operations. Further, if key economic indicators, such as the unemployment rate or inflation, progress at a rate consistent with the Federal Reserve's objectives, the target range for the federal funds rate may increase and cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms.

To the extent that we borrow money, the potential for gain or loss on amounts invested in us will be magnified and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available to service our debt or for distribution to our shareholders, and result in losses.

The use of borrowings, also known as leverage, increases the volatility of investments by magnifying the potential for gain or loss on invested equity capital. If we use leverage to partially finance our acquisitions, through borrowing from banks and other lenders an investor will experience increased risks of investing in our securities. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would if we had not borrowed and employed leverage. Similarly, any decrease in our income would cause net income to decline more sharply than it would have if we had not borrowed and employed leverage. Such a decline could negatively affect our ability to service our debt or make distributions to our shareholders. In addition, our shareholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the management or incentive fees payable to the Manager and the Sub-Manager. Additionally, to the extent we use borrowings to finance a portion of the acquisition price of assets, we would make such acquisitions through corporate subsidiaries taxed at U.S. federal corporate tax rates, which may increase tax expenses.

The amount of leverage that we employ will depend on the Manager's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. There can be no assurance that leveraged financing will be available to us on favorable terms or at all. However, to the extent that we use leverage to finance our assets, our financing costs will be borne solely by our shareholders and will reduce cash available for distributions to our shareholders. Moreover, we may not be able to meet our financing obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations. In such an event, we may be forced to sell assets at significantly depressed prices due to market conditions or otherwise, which may result in losses.

The replacement of LIBOR with Secured Overnight Financing ("SOFR") or another alternative reference rate may adversely affect interest expense related to our borrowings.

SOFR is an index calculated by reference to short-term repurchase agreements backed by U.S. Treasury securities that was selected as a preferred replacement for U.S. dollar LIBOR by the U.S. Federal Reserve. SOFR is calculated based on overnight transactions under repurchase agreements, backed by Treasury securities. SOFR is observed and backward looking, which stands in contrast with U.S. dollar LIBOR, which is an estimated forward-looking rate and relies, to some degree, on the expert judgment of submitting panel members.

The transition to SOFR may present challenges, including, but not limited to, the illiquidity of SOFR derivatives markets, which could make it difficult for financial institutions to offer SOFR-based debt products, the determination of the spread adjustment required to convert LIBOR to SOFR (and the related determination of a term structure with different maturities), and that such transition may require substantial negotiations with counterparties. There is no guarantee that a transition from U.S dollar LIBOR to SOFR or any other alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have an adverse effect on our business, results of operations and financial condition.

Whether or not SOFR attains market acceptance as a LIBOR replacement tool remains in question. As such, the future of SOFR at this time remains uncertain.

Future litigation or administrative proceedings could have a material adverse effect on our business, financial condition and results of operations.

We may become involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. In defending ourselves in these proceedings, we may incur significant expenses in legal fees and other related expenses, regardless of the outcome of such proceedings. Unfavorable outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, financial condition and results of operations. In addition, settlement of claims could adversely affect our financial condition and results of operations. See "Business—Legal Proceedings."

We could be negatively impacted by cybersecurity attacks.

We, and our businesses, as well as the Manager and the Sub-Manager, may use a variety of information technology systems in the ordinary course of business, which are potentially vulnerable to unauthorized access, computer viruses and cyber attacks, including cyber attacks to our information technology infrastructure and attempts by others to gain access to our propriety or sensitive information, and ranging from individual attempts to advanced persistent threats. The risk of such a security breach or disruption has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and will likely continue to increase in the future. The use by bad actors of artificial intelligence technologies, which are becoming more widely adopted and increasingly sophisticated, may intensify such risks. The procedures and controls we use to monitor these threats and mitigate our exposure may not be sufficient to prevent cyber security incidents. The results of these incidents could include disrupted operations, misstated or unreliable financial data, theft of trade secrets or other intellectual property, liability for disclosure of confidential customer, supplier or employee information, increased costs arising from the implementation of additional security protective measures, regulatory enforcement litigation and reputational damage, which could materially adversely affect our financial condition, business and results of operations. These risks require continuous and likely increasing attention and other resources from us to, among other actions, identify and quantify these risks, upgrade and expand our technologies, systems and processes to adequately address them and provide periodic training for the Manager's employees to assist them in detecting phishing, malware and other schemes. Such attention diverts time and other resources from other activities and there is no assurance that our efforts will be effective. Additionally, the cost of maintaining and improving such systems and processes, procedures and internal controls may increase from its current level. Potential sources for disruption, damage or failure of our information technology systems include, without limitation, computer viruses, security breaches, human error, cyber-attacks, natural disasters and defects in design. Additionally, due to the size and nature of our company, we rely on third-party service providers for many aspects of our business. We can provide no assurance that the networks and systems that our third-party vendors have established or use will be effective. Even if we, our businesses, the Manager or the Sub-Manager are not targeted directly, cyberattacks on the U.S. and foreign governments, financial markets, financial institutions, or other businesses, including vendors, software creators, cybersecurity service providers, and other third parties with whom we, our businesses, the Manager or the Sub-Manager do business, may occur, and such events could disrupt our normal business operations and networks in the future.

Technological developments in artificial intelligence could disrupt the markets in which we and our businesses operate and subject us and our businesses to increased competition, legal and regulatory risks and compliance costs.

Technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence, and their current and potential future applications, including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, are rapidly evolving. The full extent of current or future risks related thereto is not possible to predict. Artificial intelligence could significantly disrupt the markets in which we and our businesses operate and subject us and our businesses to increased competition, legal and regulatory risks and compliance costs, which could have a material adverse effect on our business, financial condition and results of operations.

We intend to seek to avail ourselves of the potential benefits that are available through artificial intelligence technologies, which present a number of potential risks. Data that artificial intelligence applications utilize are likely to contain a degree of inaccuracy and error, which could result in flawed algorithms. This could reduce the effectiveness of artificial intelligence technologies and adversely impact us and our operations or our businesses and their operations to the extent we or they rely on the work product of such technology in our or their operations. There is also a risk that artificial intelligence tools or applications may be misused or misappropriated by third parties engaged by us or our businesses. For example, a user may input confidential information,

including material non-public information or personal identifiable information, into artificial intelligence technologies, resulting in such information becoming part of a dataset that is accessible by third-party artificial intelligence applications and users, including competitors. Such actions could subject us to legal and regulatory investigations and/or actions. Further, we may not be able to control how third-party artificial intelligence technologies that we choose to use are developed or maintained, or how data we input is used or disclosed, even where we have sought contractual protections with respect to these matters. The misuse or misappropriation of our data could have an adverse impact on our reputation and could subject us to legal and regulatory investigations and/or actions. Regulations related to artificial intelligence may also impose on us certain obligations and costs related to monitoring and compliance.

We, and our businesses, are subject to a variety of federal, state and international laws and other obligations regarding data protection.

We, and our businesses, are subject to a variety of federal, state and international laws and other obligations regarding data protection. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing domestic and international requirements may cause us or our businesses to incur substantial costs or require us or one of our businesses to change its business practices. Any failure by us or one of our businesses to comply with its own privacy policy, applicable association rules, or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us or one of our businesses by governmental entities or others.

We may acquire interests in joint ventures, which creates additional risk because, among other things, we cannot exercise sole decision making power and our partners may have different economic interests than we have.

We may acquire interests in joint ventures with third parties. There are additional risks involved in joint venture transactions. As a co-investor in a joint venture, we may not be in a position to exercise sole decision-making authority relating to the joint venture or other entity. As a result, the operations of the joint venture may be subject to the risk that third parties may make business, financial or management decisions with which we do not agree or the management of the joint venture may take risks or otherwise act in a manner that does not serve our interests. Further, there may be a potential risk of impasse in some business decisions because we may not be in a position to exercise sole decision-making authority. In such situations, it is possible that we may not be able to exit the relationship because we may not have the funds necessary to complete a buy-out of the other partner or it may be difficult to locate a third-party purchaser for our interest. Because we may not have the ability to exercise control over such operations, we may not be able to realize some or all of the benefits that we believe will be created from our involvement. In addition, there is the potential of our joint venture partner becoming bankrupt and the possibility of diverging or inconsistent economic or business interests of us and our partner. These diverging interests could result in, among other things, exposing us to liabilities of the joint venture in excess of our proportionate share of these liabilities. If any of the foregoing were to occur, our business, financial condition and results of operations could suffer as a result.

A significant portion of our assets are recorded at fair value as determined in good faith by our board of directors, with assistance from the Manager and the Sub-Manager and, as a result, there will be uncertainty as to the value of our assets.

Our financial statements are prepared using the specialized accounting principles of Accounting Standards Codification Topic 946, Financial Services-Investment Companies, or ASC Topic 946, which requires us to carry our assets at fair value or, if fair value is not determinable based on transactions observable in the market, at fair value as determined by our board of directors. For most of our assets, market prices are not readily available. As a result, we value these assets monthly at fair value as determined in good faith by our board of directors based on input from the Manager, the Sub-Manager and the independent valuation firm. See "Determination of Net Asset Value."

Our board of directors is ultimately responsible for the determination, in good faith, of the fair value of our assets. The determination of fair value is subjective, and the Manager and the Sub-Manager have a conflict of interest in assisting our board of directors in making this determination. Our board of directors, including a majority of our independent directors and our audit committee, has adopted a valuation policy that provides for the methodologies to be used to estimate the fair value of our assets for purposes of our net asset value calculation. Our board of directors makes this determination on a monthly basis and any other time when a decision is required regarding the fair value of our assets. Our board of directors has retained an independent valuation firm, Alvarez & Marsal Valuation Services, LLC, to assist the Manager and the Sub-Manager in preparing their recommendations with respect to our board of directors' determination of the fair values of assets for which market prices are not readily available. Additionally, our independent auditor has identified the valuation of investments using significant unobservable inputs and assumptions as a critical audit matter for us. A critical audit matter is one which is communicated to the audit committee and that: (i) relates to accounts or disclosures that are material to the financial statements and (ii) involves challenging, subjective or complex judgments by the independent auditor. Please see "Critical Audit Matter – Valuation of investments using significant

unobservable inputs and assumptions" in the independent auditor's report included in our Annual Report on Form 10-K for the year ended December 31, 2024 and incorporated herein by reference for additional information and to review how this was most recently addressed.

Accounting Standards Codification Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued at the highest level as "Level 3" assets. As of December 31, 2024, the fair value of the Company's investments categorized as Level 3 investments within the fair value hierarchy constituted approximately 92.7% of our total assets. The types of factors that may be considered in determining the fair values of our assets include available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the business's ability to make payments, its earnings and discounted cash flows, the markets in which the company does business, comparisons of financial ratios of peer business entities that are public, mergers and acquisitions comparables, the principal market and enterprise values, among other factors. Because such valuations, and particularly valuations of private companies, are inherently uncertain, the valuations may fluctuate significantly over short periods of time due to changes in current market conditions. The determinations of fair value by our board of directors may differ materially from the values that would have been used if an active market and market prices existed for these assets. Our net asset value could be adversely affected if the determinations regarding the fair value of our assets were materially higher than the values that we ultimately realize upon the disposal of such assets. See "Determination of Net Asset Value."

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including, but not limited to, our ability to consummate transactions, the terms of any transactions that we complete, variations in the earnings and/or distributions paid by the businesses we make capital contributions and loans to, variations in the interest rates on loans we make, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We may experience fluctuations in our operating expenses.

We could experience fluctuations in our operating expenses due to a number of factors, including, but not limited to, changes in inflation and the flow on effects on prices generally, the terms of any transactions that we complete, changes in operating conditions, changes to our operating environment, changes in the perception of risk associated with operating these assets. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We will be exposed to risks associated with changes in interest rates.

To the extent we borrow to finance our assets, we will be subject to financial market risks, including changes in interest rates. For example, in response to inflationary pressure, the U.S. Federal Reserve and other global central banks raised interest rates in 2022 and 2023. Although interest rates have begun to subside, we cannot predict with certainty any future action that the U.S. Federal Reserve and/or any other global central bank may take with respect to interest rates. When we borrow, our net income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we employ those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net income. In periods of rising interest rates when we have floating-rate debt outstanding, our cost of funds may increase, which could reduce our net income. We expect that our long-term fixed-rate investments will be financed primarily with equity and long-term debt. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. These techniques may include borrowing at fixed rates or various interest rate hedging activities. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Tax

Shareholders may realize taxable income without cash distributions, and may have to use funds from other sources to fund tax liabilities.

Because we intend to continue to be taxed as a partnership for U.S. federal income tax purposes, shareholders may realize taxable income in excess of cash distributions by us. There can be no assurance that we will pay distributions at a specific rate or at all. As a result, shareholders may have to use funds from other sources to pay their tax liability.

In addition, the per share amount of distributions on Class A, Class S, Class FA, Class T, Class D and Class I shares may differ because of different allocations of certain class-specific expenses. For example, the payment of the distribution and shareholder servicing fees over time with respect to the Class T and Class D shares will be paid from cash distributions that would otherwise be distributable to the shareholders of Class T and Class D shares. Accordingly, the Class T and Class D shareholders will receive a lower cash distribution than the Class FA, Class A, Class I and Class S shareholders as a result of economically bearing our obligation to pay such fees. Additionally, since the management and incentive fees for the non-founder shares are higher than the management and incentive fees for the founder shares, the non-founder shares NAV will be less than the founder shares NAV as a result of economically bearing a greater proportionate share of our obligation to pay such fees. See "Certain U.S. Federal Income Tax Consequences—Partnership Allocations and Adjustments." The payment of such fees and any other class-specific expenses will be specially allocated to the class of shares that are bearing these fees. Some shareholders will not be able to deduct these fees for tax purposes, which may result in shareholders' taxable income from the company exceeding the amount of cash distributions made to such shareholders. See "Certain U.S. Federal Income Tax Considerations—Limitations on Deductibility of Certain Losses and Expenses."

If we were to become taxable as a corporation for U.S. federal income tax purposes, we would be required to pay income tax at corporate rates on our net income and would reduce the amount of cash available for distributions to our shareholders. Such distributions, if any, by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits.

Under Section 7704 of the Code, unless certain exceptions apply, a publicly traded partnership is generally treated and taxed as a corporation, and not as a partnership, for U.S. federal income tax purposes. A partnership is a publicly traded partnership if (i) interests in the partnership are traded on an established securities market or (ii) interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof. Applicable Treasury regulations (the "Section 7704 Regulations") provide guidance with respect to such classification standards, and create certain safe harbor standards which, if satisfied, generally preclude classification as a publicly traded partnership. Failure to satisfy a safe harbor provision under the Section 7704 Regulations will not cause an entity to be treated as a publicly traded partnership if, taking into account all facts and circumstances, the partners are not readily able to buy, sell or exchange their interests in a manner that is comparable, economically, to trading on an established securities market.

While it is expected that we will operate so that we will qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation, given the highly complex nature of the rules governing partnerships, the ongoing importance of factual determinations, the lack of direct guidance with respect to the application of tax laws to the activities we are undertaking and the possibility of future changes in our circumstances, it is possible that we will not qualify to be taxable as a partnership for any particular year. Our shares will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Our LLC Agreement provides for certain restrictions on transferability and on our ability to repurchase shares intended to ensure that we qualify as a partnership for U.S. federal income tax purposes and that we are not taxable as a publicly traded partnership. Under our LLC Agreement, prior to a listing of our shares on a national securities exchange, no transfer (including any share repurchases) of an interest may be made if it would result in our being treated as a publicly traded partnership. In addition, we may, without the consent of any shareholder, amend our LLC Agreement in order to improve, upon advice of counsel, our position in avoiding such publicly traded partnership status (and we may impose time-delay and other restrictions on recognizing transfers (including any share repurchases) as necessary to do so).

If we were treated as a publicly traded partnership for U.S. federal income tax purposes, we would nonetheless remain taxable as a partnership if 90% or more of our income for each taxable year in which we were a publicly traded partnership consisted of "qualifying income" and we were not required to register under the Investment Company Act (the "qualifying income exception"). Qualifying income generally includes interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items. Although there is no direct authority regarding whether activities similar to those conducted by us could be treated as a financial business for this purpose, the Internal Revenue Service, or the IRS, has issued private letter rulings to the effect that interest income on loans not made to customers in connection with a banking or other financing business is qualifying income for purposes of the publicly traded partnership rules. These private letter rulings are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings and address only the specific facts presented by the requesting taxpayer; however, such authority nonetheless provides valuable indications of the IRS's views on specific issues. In addition, to the extent that we invest in levered loans through "controlled foreign corporations" (each, a "CFC"), as discussed in "Certain U.S. Federal Income Tax Consequences-Investments

in Non-U.S. Corporations," we intend to currently distribute any Subpart F inclusions and treat such Subpart F inclusions as qualifying income for purposes of the qualifying income exception. Since our gross income will largely consist of dividend and interest income from our subsidiaries, we expect to satisfy the qualifying income exception. However, no assurance can be given that the actual results of our operations for any taxable year will satisfy the qualifying income exception. If, for any reason, we become taxable as a corporation for U.S. federal income tax purposes, our items of income and deduction would not pass through to our shareholders and our shareholders would be treated for U.S. federal income tax purposes as shareholders in a corporation. We would be required to pay income tax at corporate rates on our net income. Distributions by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits, and the payment of these distributions would not be deductible by us. Our failure to qualify as a partnership for U.S. federal income tax purposes could have a material adverse effect on us, our shareholders and the value of the shares.

The IRS could adjust or reallocate items of income, gain, deduction, loss and credit with respect to the shares if the IRS does not accept the assumptions or conventions utilized by us.

Although we are not a publicly traded partnership, given the large number of investors invested in us, we are applying conventions relevant to publicly traded partnerships. U.S. federal income tax rules applicable to partnerships are complex and their application is not always clear. We apply certain assumptions and conventions intended to comply with the intent of the rules and report income, gain, deduction, loss and credit to shareholders in a manner that reflects each shareholder's economic gains and losses, but these assumptions and conventions may not comply with all aspects of the applicable rules. It is possible therefore that the IRS will successfully assert that these assumptions or conventions do not satisfy the technical requirements of the Code or the Treasury regulations promulgated thereunder and will require that items of income, gain, deduction, loss and credit be adjusted or reallocated in a manner that could be adverse to shareholders.

Changes in tax laws and regulations may have a materially adverse effect on our business, financial condition and result of operations and have a negative impact on our shareholders.

The present U.S. federal income tax treatment of an investment in our shares may be modified by administrative, legislative or judicial interpretation at any time, and any such action may affect investments and commitments previously made. No assurance can be given as to whether, when, or in what form, the U.S. federal and state income tax laws applicable to us and our shareholders may be enacted. Prospective investors should consult their tax advisors regarding the potential changes in tax laws.

Interest deductions on loans made to our subsidiaries and other portfolio companies may be limited, which could result in adverse tax consequences.

Our debt investments in our subsidiaries are intended to be treated as indebtedness for U.S. federal income tax purposes. If the IRS successfully recharacterized any of such debt investments as equity for U.S. federal income tax purposes, payments of interest with respect to such debt investment may be recharacterized as a dividend and would not be deductible by our subsidiary in computing its taxable income, resulting in the subsidiary potentially being subject to additional U.S. federal income tax. Even to the extent the debt investments are respected as indebtedness for U.S. federal income tax purposes, the deduction for interest payments by each of our subsidiaries with respect to such debt investments for any taxable year is generally limited to the sum of (i) such subsidiary's business interest income and (ii) 30% of the subsidiary's "adjusted taxable income", unless the subsidiary is an electing real property trade or business. To the extent interest deductions by our subsidiaries are limited, it could increase the U.S. federal income tax liability of our subsidiaries, reducing the amount of cash available for distribution to us, and, as a result, to our shareholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus constitute "forward-looking statements." Forward-looking statements are statements that do not relate strictly to historical or current facts, but reflect management's current understandings, intentions, beliefs, plans, expectations, assumptions and/or predictions regarding the future of our business and its performance, the economy and other future conditions and forecasts of future events and circumstances. Forward-looking statements are typically identified by words such as "believes," "expects," "anticipates," "intends," "estimates," "plans," "continues," "pro forma," "may," "will," "seeks," "should" and "could," and words and terms of similar substance, although not all forward-looking statements include these words. The forward-looking statements contained in this prospectus involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our businesses and other assets;
- unanticipated costs, delays and other difficulties in executing our business strategy;
- performance of our businesses and other assets relative to our expectations and the impact on our actual return on invested equity, as well as the cash provided by these assets;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with the Manager, the Sub-Manager and their respective affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we target;
- events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large depository institutions or other significant corporations, virus outbreaks or pandemics, terrorist attacks, natural or man-made disasters or threatened or actual armed conflicts;
- the use, adequacy and availability of proceeds from this offering, financing sources, working capital or borrowed money to finance a portion of our business strategy and to service our outstanding indebtedness;
- the timing of cash flows, if any, from our businesses and other assets;
- the ability of the Manager and the Sub-Manager to locate suitable acquisition opportunities for us and to manage and operate our businesses and other assets;
- the ability of the Manager, the Sub-Manager and their respective affiliates to attract and retain highly talented professionals;
- the ability to operate our business efficiently, manage costs (including general and administrative expenses) effectively and generate cash flow;
- the lack of a public trading market for our shares;
- the ability to make and the amount and timing of anticipated future distributions;
- estimated net asset value per share of our shares;
- the loss of our exemption from the definition of an "investment company" under the Investment Company Act;
- fiscal policies or inaction at the U.S. federal government level, which may lead to federal government shutdowns or negative impacts on the U.S. economy;
- the degree and nature of our competition; or
- the effect of changes to government regulations, accounting rules or tax legislation.

Our forward-looking statements are not guarantees of our future performance and shareholders are cautioned not to place undue reliance on any forward-looking statements. While we believe our forward-looking statements are reasonable, such statements are inherently susceptible to uncertainty and changes in circumstances. As with any projection or forecast, forward-looking statements are necessarily dependent on assumptions, data and/or methods that may be incorrect or imprecise, and may not be realized. Our forward-looking statements are based on our current expectations and a variety of risks, uncertainties and other factors, many of which are beyond our ability to control or accurately predict. Important factors that could cause our actual results to vary materially from those expressed or implied in our forward-looking statements include, but are not limited to, the factors listed and described under "Risk Factors" in this prospectus, our quarterly reports on Form 10-Q, annual report on Form 10-K, and current reports on Form 8-K, as filed with the SEC and other documents we file from time to time with the SEC. All written and oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by these cautionary statements. Forward-looking statements speak only as of the date on which they are made; we undertake no obligation to, and expressly disclaim any obligation to, update or revise forward-looking statements to reflect new information, changed assumptions, the occurrence of subsequent events, or changes to future operating results over time unless otherwise required by law.

ESTIMATED USE OF PROCEEDS

The following tables present information about how the proceeds raised in this offering will be used. Information is provided assuming (i) the sale of the maximum offering amount and (ii) that 15% of the gross offering proceeds from this offering is from sales of Class A shares, 10% is from sales of Class T shares, 10% is from sales of Class D shares and 65% is from sales of Class I shares. The 15%, 10%, 10% and 65% allocation assumption is based upon the Managing Dealer's expectations taking into consideration, among other factors, the experience of our initial public offering, our initial follow-on public offering, anticipated participating broker-dealers and distribution intermediaries which may participate in this offering, the experiences of other multi-class blind pool initial public offerings, current market demand and anticipated regulatory changes.

There can be no assurance that this assumption will prove to be accurate. Many of the numbers in the table are estimates because all fees and expenses cannot be determined precisely at this time. The actual amount of expenses cannot be determined at the present time and will depend on numerous factors, including the aggregate amount borrowed by us. The actual use of proceeds is likely to be different than the figures presented in the table because we may not raise the maximum offering amount. Raising less than the maximum offering amount or selling a different percentage of Class A, Class T, Class D and Class I shares will alter the amounts of commissions, fees and expenses set forth below.

Under the terms of the Management and Sub-Management Agreements between us and the Manager and the Sub-Manager, respectively, the Manager (and indirectly the Sub-Manager) is entitled to receive up to 1.50% of gross proceeds raised in this particular offering to recover cumulative organization and offering costs which have been funded by the Manager, the Sub-Manager or their respective affiliates. The Manager (and indirectly the Sub-Manager) is responsible for the payment of the company's cumulative organization and offering expenses to the extent they exceed (A) 1.0% of the cumulative gross proceeds from any of our private offerings and (B) 1.5% of the cumulative gross proceeds from this offering or our other public offerings, in each case, without recourse against or reimbursement by the company. Notwithstanding the foregoing, the company shall reimburse the Manager for cumulative organization and offering expenses it may incur on the company's behalf but only to the extent that (1) the total amount of all cumulative organization and offering expenses is reasonable and (2) solely in connection with this offering, the reimbursement would not cause the selling commissions, any dealer manager fees, the distribution and shareholder servicing fees and the organization and offering expenses borne by the company to exceed 15.0% of gross proceeds from this offering pursuant to the relevant registration statement as of the date of the reimbursement. The Manager's (and indirectly the Sub-Manager's) obligation to pay the company's organization and offering expenses shall be calculated on a cumulative basis at the time such organization and offering expenses are due and payable under the Management Agreement, as compared to the cumulative gross proceeds from this offering or such other offerings at such time. We estimate that we will incur cumulative organization and offering costs, which includes actual legal, accounting, printing, filing fees, and other expenses attributable to conducting this offering or our other offerings, of approximately 1.5% of the gross offering proceeds from all of our private and public offerings, assuming maximum gross proceeds in this offering are raised. Until the proceeds from this offering are fully invested, and from time to time thereafter, we may not generate sufficient cash flow from operations to fully fund distributions. Therefore, some or all of our distributions may be paid from other sources, such as cash advances by the Manager, cash resulting from a waiver or deferral of fees by the Manager and the Sub-Manager, borrowings, proceeds from this offering and/or pursuant to the Expense Support and Conditional Reimbursement Agreement. There is no limit on distributions that may be made from these sources. The estimated amount to be invested, presented in the table below, will be impacted to the extent we use proceeds from this offering to pay distributions. The following table is presented solely for informational purposes.

The following table presents information regarding the use of proceeds raised in this offering with respect to Class A shares.

	Maximum Sale of $150,000,000 of Class A Shares in this Offering		Sale of $75,000,000 of Class A Shares in this Offering (Half Offering)	
	Amount ($)	Percent of Public Offering Proceeds	Amount ($)	Percent of Public Offering Proceeds
Gross Proceeds[1]	150,000,000	100.00%	75,000,000	100.00%
Less Offering Expenses[2]				
Selling Commissions[1]	9,000,000	6.00%	4,500,000	6.00%
Dealer Manager Fee	3,750,000	2.50%	1,875,000	2.50%
Other Organization and Offering Expenses[3]	2,113,860	1.41 %	2,113,860	2.82%

Amount Available for Investment/ Net Proceeds to be Invested[4]	135,136,140	90.09%	66,511,140	88.68%

The following table presents information regarding the use of proceeds raised in this offering with respect to Class T shares.

	Maximum Sale of $100,000,000 of Class T Shares in this Offering		Sale of $50,000,000 of Class T Shares in this Offering (Half Offering)	
	Amount ($)	Percent of Public Offering Proceeds	Amount ($)	Percent of Public Offering Proceeds
Gross Proceeds[1]	100,000,000	100.00%	50,000,000	100.00%
Less Offering Expenses[2]				
Selling Commissions[1]	3,000,000	3.00%	1,500,000	3.00%
Dealer Manager Fee	1,750,000	1.75%	875,000	1.75%
Other Organization and Offering Expenses[3]	1,465,360	1.47%	1,465,360	2.93%
Amount Available for Investment/ Net Proceeds to be Invested[4]	93,784,640	93.78%	46,159,640	92.32%

The following table presents information regarding the use of proceeds raised in this offering with respect to Class D shares.

	Maximum Sale of $100,000,000 of Class D Shares in this Offering		Sale of $50,000,000 of Class D Shares in this Offering (Half Offering)	
	Amount ($)	Percent of Public Offering Proceeds	Amount ($)	Percent of Public Offering Proceeds
Gross Proceeds[1]	100,000,000	100.00 %	50,000,000	100.00 %
Less Offering Expenses[2]				
Selling Commissions[1]	-	0.00 %	-	0.00 %
Dealer Manager Fee	-	0.00 %	-	0.00 %
Other Organization and Offering Expenses[3]	1,552,063	1.55 %	1,552,063	3.10 %
Amount Available for Investment/ Net Proceeds to be Invested[4]	98,447,937	98.45 %	48,447,937	96.90 %

The following table presents information regarding the use of proceeds raised in this offering with respect to Class I shares.

	Maximum Sale of $650,000,000 of Class I Shares in this Offering		Sale of $325,000,000 of Class I Shares in this Offering (Half Offering)	
	Amount ($)	Percent of Public Offering Proceeds	Amount ($)	Percent of Public Offering Proceeds
Gross Proceeds[1]	650,000,000	100.00%	325,000,000	100.00%
Less Offering Expenses[2]				
Selling Commissions[1]	-	0.00%	-	0.00%
Dealer Manager Fee	-	0.00%	-	0.00%
Other Organization and Offering Expenses[3]	9,868,717	1.52%	9,868,717	3.04%

Amount Available for Investment/ Net Proceeds to be Invested[4]	640,131,283	98.48%	315,131,283	96.96%

(1) The tables assume that no shares are sold under our distribution reinvestment plan. The actual selling commissions that will be paid on Class A shares and Class T shares may be higher or lower due to rounding. See the section of this prospectus entitled "Plan of Distribution" for a description of the circumstances under which selling commissions and dealer manager fees may be reduced in connection with certain purchases including, but not limited to, purchases by investors that are clients of a registered investment adviser, registered representatives or principals of the Managing Dealer or participating brokers, and the Manager, the Sub-Manager, their respective affiliates, officers and employees. A portion of the selling commissions will be reduced in connection with volume purchases, and will be reflected by a corresponding reduction in the per share purchase price. In no event, however, will commission discounts reduce the proceeds of this offering that are available to us. No sales load is paid in connection with the purchase of shares pursuant to our distribution reinvestment plan.

(2) We also pay to the Managing Dealer ongoing distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fees accrue daily and are paid monthly in arrears. We pay the distribution and shareholder servicing fees to the Managing Dealer, which may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares, a broker-dealer with a fee-based platform, or a fund "supermarket" platforms featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fees are ongoing fees that are not paid at the time of purchase, are not intended to be a principal use of offering proceeds and are not included in the above tables. The distribution and shareholder servicing fees are considered underwriting compensation in connection with this offering, subject to the 10% limit on underwriting compensation pursuant to FINRA rules. The distribution and shareholder servicing fees are similar to selling commissions. The distribution and shareholder servicing expenses borne by the participating broker-dealers may be different from and substantially less than the amount of the distribution and shareholder servicing fees charged. In addition, the Managing Dealer and/or participating broker-dealers may incur certain other costs and expenses associated with this offering or the facilitation of the marketing of our shares, including technology fees related to the marketing of shares, certain wholesaling activities, certain legal expenses, the costs and expenses of sales training and educational meetings held by us or the Managing Dealer or for participating broker-dealer sponsored conferences, or selling commissions and non-transaction based compensation paid to registered persons associated with the Managing Dealer in connection with wholesaling activities. Such costs and expenses will be paid out of selling commissions, dealer manager or distribution and shareholder servicing fees retained by the Managing Dealer (all or portion of which may be reallowed to participating broker-dealers); provided, however, that to the extent any such costs and expenses exceed the commissions, dealer manager or distribution and shareholder servicing fees retained by the Managing Dealer such costs and expenses will be borne by the Managing Dealer and/or participating broker-dealers without reimbursement by us. In either case, such costs and expenses will be deemed to be underwriting compensation and will be subject to the FINRA's 10% limit on total underwriting compensation.

(3) Other organization and offering expenses include any and all cumulative costs and expenses, excluding selling commissions, dealer manager fees and distribution and shareholder servicing fees, incurred by us in connection with our formation, qualification and registration, and the marketing and distribution of our shares in this offering or our other offerings, including, without limitation, the following: amounts for SEC registration fees, FINRA filing fees, printing and mailing expenses, blue sky fees and expenses, legal fees and expenses, accounting fees and expenses, advertising and sales literature, transfer agent fees, due diligence expenses, subscription processing, expenses incurred in connection with the provision of administrative or technology services by financial technology platforms used by intermediaries for their clients, escrow fees and other administrative expenses of this offering. The amounts reflected are estimates. The total of these other organization and offering expenses are estimated to be approximately $15,000,000 if the maximum offering amount is sold. For purposes of these tables, estimated other organization and offering expenses are allocated among the Class A, Class T, Class D and Class I shares *pro rata* on a per share basis, assuming 15% of the gross offering proceeds from this offering is from sales of Class A shares, 10% is from sales of Class T shares, 10% is from sales of Class D shares and 65% is from sales of Class I shares, based on our current public offering prices.

(4) Although a substantial majority of the amount available for investment presented in this table is expected to be used to acquire assets, including used to finance acquisitions of other businesses, we may use a portion of such amount (i) to repay debt incurred in connection with operating our business; (ii) to establish reserves; or (iii) for other corporate purposes, including, but not limited to, payment of distributions to shareholders or payments of offering expenses in connection with future offerings pending the receipt of offering proceeds from such offerings, provided that these organization and offering expenses may not exceed the limitation of organization and offering expenses pursuant to our LLC Agreement and FINRA rules. We will incur capital expenses and acquisition expenses relating to our investments. In addition, we may use proceeds from our distribution reinvestment plan for repurchases of shares. Until proceeds are required to be invested or used for other purposes, we invest such amounts in short-term, highly liquid investments with appropriate safety of principal, including, but not limited to, government obligations, short-term debt obligations, interest bearing bank accounts and leveraged loans. We have also not established any limit on the extent to which we may use proceeds of this offering to pay distributions, and there will be no assurance that we will be able to sustain distributions at any level.

DISTRIBUTION POLICY

General

Subject to our board of director's discretion and applicable legal restrictions, our board of directors has declared, and intends to continue to declare, cash distributions to shareholders based on monthly record dates and we have paid, and intend to continue to pay, such distributions on a monthly basis. Our board of directors may also authorize distributions in the form of shares or effect share splits. However, there can be no assurance that we will pay distributions at a specific rate or at all. Distributions will be paid out of funds legally available for distribution to our shareholders. Our distributions may exceed our earnings and adjusted cash flow from operating activities and we may fund our distributions to shareholders from any sources of funds available to us, including from expense support from the Manager and the Sub-Manager, as well as from offering proceeds and borrowings. Distributions paid to our shareholders, including distributions paid with respect to Class FA and Class S shares, may be funded from proceeds from this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Distributions" for additional information on the sources of funding for our distributions. Distributions will be made on all classes of our shares at the same time. Amounts distributed will be allocated among each class in proportion to the number of shares of each class outstanding. Amounts distributed to each class will be allocated among our shareholders in such class in proportion to their shares. We have not established limits on the amount of funds we may use from any available sources to make distributions. The per share amount of distributions on Class A, Class S, Class FA, Class T, Class D and Class I shares may differ because of different allocations of certain class-specific expenses. Specifically, distributions on the non-founder shares may be lower than distributions on founder shares because we are required to pay higher management and incentive fees to the Manager and the Sub-Manager with respect to the non-founder shares. Additionally, distributions on Class T shares and Class D shares may be lower than distributions on Class A, Class FA, Class S and Class I shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to the Class T shares and Class D shares sold in this offering.

Our LLC Agreement provides that distributions in-kind shall not be permitted, except for distributions of readily marketable securities, distributions of beneficial interests in a liquidating trust established for our dissolution and or distributions of in-kind property which (i) we advise each shareholder of the risks associated with direct ownership of the property, (ii) we offer each shareholder the election of receiving such in-kind distributions, and (iii) we distribute in-kind only to those shareholders that accept such offer. We have adopted a distribution reinvestment plan pursuant to which you may have the full amount of your cash distributions from us reinvested in additional shares. See "Distribution Reinvestment Plan" for additional details regarding the distribution reinvestment plan.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. Distributions on the Non-founder shares may be lower than distributions on Founder shares because we are required to pay higher management and total return incentive fees to the Manager and the Sub-Manager with respect to the Non-founder shares. Additionally, distributions on Class T and Class D shares are lower than distributions on Class FA, Class A, Class I and Class S shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to Class T and Class D shares. There is no assurance that we will pay distributions in any particular amount, if at all.

DETERMINATION OF NET ASSET VALUE

Relevance of Our Net Asset Value

Our net asset value per share for each class of shares is calculated and published on a monthly basis.

Our net asset value will:

- be disclosed in our quarterly and annual financial statements and on a monthly basis in a current report on Form 8-K;
- determine the price per share that is paid to shareholder participants in our quarterly share repurchase program and the price per share paid by participants in our distribution reinvestment plan;
- be an input in the computation of fees earned by the Manager and the Sub-Manager whose fees are linked, directly or indirectly, in whole or part to the value of our gross assets; and
- be evaluated alongside the net proceeds per share to us from this offering in determining the offering price per share for each class of shares.

Determination of Our Net Asset Value

The calculation of our net asset value is a calculation of fair value of our assets less our outstanding liabilities. Our board of directors, including a majority of our independent directors and our audit committee, has adopted a valuation policy that provides for the methodologies to be used to estimate the fair value of our assets for purposes of our net asset value calculation. Any changes to the valuation policy are required to be approved by our board of directors, including a majority of our independent directors, and our audit committee.

We have adopted, and our valuation policy will be performed in accordance with, Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, or ASC Topic 820, which defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. ASC Topic 820 clarifies that the fair value is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. ASC Topic 820 provides a consistent definition of fair value which focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. In addition, ASC Topic 820 provides a framework for measuring fair value and establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of valuation hierarchy established by ASC Topic 820 are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets. An active market is defined as a market in which transactions for the asset or liability occur with sufficient pricing information on an ongoing basis. Publicly listed equity and debt securities and listed derivatives that are traded on major securities exchanges and publicly traded equity options are generally valued using Level 1 inputs. If a price for a Level 1 asset cannot be determined based upon this established process, it shall then be valued as a Level 2 asset.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following: (i) quoted prices for similar assets in active markets; (ii) quoted prices for identical or similar assets in markets that are not active; (iii) inputs that are derived principally from or corroborated by observable market data by correlation or other means; and (iv) inputs other than quoted prices that are observable for the assets. Fixed income and derivative assets where there is an observable secondary trading market and through which pricing inputs are available through pricing services or broker quotes are generally valued using Level 2 inputs. If a price for a Level 2 asset cannot be determined based upon this established process, it shall then be valued as a Level 3 asset.

Level 3: Unobservable inputs for the asset or liability being valued. Unobservable inputs will be used to measure fair value to the extent that observable inputs are not available and such inputs will be based on the best information available in the circumstances, which under certain circumstances might include the Manager's or the Sub-Manager's own data. Level 3 inputs may include, but are not limited to, capitalization and discount rates and earnings before interest, taxes, depreciation and amortization ("EBITDA") multiples. The information may also include pricing information or broker quotes which include a

disclaimer that the broker would not be held to such a price in an actual transaction. Certain assets may be valued based upon estimated value of underlying collateral and include adjustments deemed necessary for estimates of costs to obtain control and liquidate available collateral. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence. Debt and equity investments in private companies or assets valued using the market or income approach are generally valued using Level 3 inputs.

Unless an exception exists as identified in accordance with our valuation policy (for example, a broker quote or pricing service quote is deemed unreliable), our Level 1 and Level 2 assets will be reviewed and approved by the Manager, but will not require the approval of our board of directors. Pricing services serve as the preferred source of prices for assets, unless a price is not available or is determined to be unreliable or inadequately represents the fair value of the particular asset. In that case, valuations will be based on broker quotes or other similar external valuation sources if available to value the asset.

Our board of directors, with assistance from the Manager and Sub-Manager, is ultimately responsible for determining in good faith the fair value of our Level 3 assets. For an asset which is classified as a Level 3 asset, our board of directors has retained an independent valuation firm, Alvarez & Marsal Valuation Services, LLC, to assist the Manager and the Sub-Manager in preparing their recommendations with respect to our board of directors' determination of the fair values of such assets and has approved the following valuation process when a valuation is sought:

- values or valuation ranges for such assets is provided by the independent valuation firm. As part of this process, the Sub-Manager provides the independent valuation firm with access to all of the information relating to such assets relevant to the discharge of the independent valuation firm's responsibilities and the Sub-Manager consults with, and seeks support from, the Manager as necessary throughout this process;

- the Sub-Manager reviews the values or valuation ranges prepared by the independent valuation firm and provides its valuation recommendation for such assets to the Manager;

- the Manager provides a valuation recommendation for such assets to our audit committee of our board of directors. Our audit committee reviews the recommendations of the Manager and the Sub-Manager, and makes its own recommendation of the fair value of such assets to our board of directors; and

- our board of directors reviews and adopts the fair value of such assets.

On no less than a quarterly basis, values or valuation ranges for all Level 3 assets will be provided by the independent valuation firm. The Manager and the Sub-Manager will monitor our Level 3 assets for unobservable inputs. If it is determined that the impact of any such unobservable inputs would reasonably be expected to materially impact the fair value of an asset any time a valuation is sought, then the Sub-Manager will notify the Manager and the Manager will notify the independent valuation firm and request that the independent valuation firm provide an updated valuation for such asset.

The determination of the fair value of our assets requires judgment, especially with respect to assets for which market prices are not available. For most of our assets, market prices will not be available. Due to the inherent uncertainty of determining the fair value of assets that do not have a readily available market value, the fair value of the assets may differ significantly from the values that would have been used had a readily available market value existed for such assets, and the differences could be material. Because the calculation of our net asset value is based, in part, on the estimated fair value of our assets, our calculation of net asset value is subjective and could be adversely affected if the determinations regarding the estimated fair value of our assets were materially higher than the values that we ultimately realize upon the disposal of such assets. Furthermore, through the valuation process, our board of directors may determine that the fair value of our assets differs materially from the values that were provided by the independent valuation firm.

Our board of directors, with assistance from the Manager, determines the net asset value per share on a monthly basis for each class of shares outstanding by dividing the value of total assets pertaining to a class of shares *minus* liabilities pertaining to a class of shares by the total number of shares of a class outstanding at the time of determination.

Our audit committee reviews, and recommends to our board of directors for adoption, our quarterly and annual financial statements for inclusion in our quarterly reports on Form 10-Q and annual report on Form 10-K, and such financial statements include a determination of our net asset value and net asset value per share for each class of shares as of the last day of each calendar quarter. These financial statements, in turn, are reviewed and approved by our board of directors. In addition, on a monthly basis, our audit committee reviews, and recommend to our board of directors for adoption, a determination of our net asset value per share for each class of shares as of the last day of each month for inclusion in a current report on Form 8-K. This determination of our net asset value per share for each class of shares, in turn, is reviewed and approved by our board of directors.

Independent Valuation Firm

Alvarez & Marsal Valuation Services, LLC was selected as the company's independent valuation firm due to its experience and nationally recognized valuation expertise. Alvarez & Marsal Valuation Services, LLC has no prior affiliation with the company, the Manager, the Sub-Manager or any of their respective affiliates.

Alvarez & Marsal Valuation Services, LLC and its affiliates employs more than 70 valuation consultants, located in New York, London, Frankfurt, Amsterdam, Chicago, Seattle, San Francisco, Houston and Atlanta. Alvarez & Marsal Valuation Services, LLC is an affiliate of Alvarez & Marsal Holdings, a privately owned independent global professional services firm established in 1983.

Use of Pricing Services

The Manager and the Sub-Manager will obtain prices from approved unaffiliated third-party pricing services for assets held by the company. The Manager, the Sub-Manager or our board of directors may take action if they believe that the prices obtained from the pricing services are unreliable or unavailable.

Equity securities are priced based on the last reported market price as of the relevant measurement date, or if such date was not a trading day, the price from the immediately preceding trading day is used.

If the price obtained from a primary pricing source is determined by the Manager or the Sub-Manager to be unreliable, the Manager can use a price from a secondary approved pricing source. The determination by the Manager that a secondary pricing source is preferable to a primary pricing source requires contemporaneous documentation.

If no reliable price is available from an approved pricing service, the Manager or the Sub-Manager shall attempt to utilize broker quotes or similar external observable pricing inputs. These actions require contemporaneous documentation of the rationale for determining a price is not reliable and support for the use of a price from a different source. Any time a valuation is sought but on no less than a quarterly basis, the Manager will review all pricing provided from pricing services.

If a price from a pricing service for an asset is determined to be unreliable for that asset and no other external pricing sources (i.e., pricing services or broker quotes) are determined to be available, then the asset will be deemed a Level 3 asset and the valuation will follow procedures for Level 3 assets as outlined herein.

Use of Broker Quotes

Broker quotes are generally obtained by the Manager and the Sub-Manager and are utilized as described above. The use of broker quotes is only permissible if no reliable price from an approved pricing service is available.

If only one available broker quote is deemed to be reliable on a month end date, then a corroborating internal analysis must be prepared and approved by the Manager. If more than two broker quotes are obtained, the mean of the prices from the quotes is used if the quotes are deemed reliable and the quotes are in a reasonable range to one another.

If two broker quotes are obtained and they provide materially different prices, then the Manager will attempt to reconcile the sources of the quotes and determine whether the quotes are reliable.

Broker quotes will be evaluated by the Manager anytime a valuation is sought and using the following considerations when determining whether broker quotes are reliable:

- type and complexity of the investment for which a quote is being received;
- unique features or characteristics with regard to the security, including size of the transaction as compared to other market transactions, privy of information as a result of due diligence efforts;
- whether the quote is based on an active market for the financial instrument or through modeled assumptions;
- prices that are inconsistent with other actual trades by the Manager or the Sub-Manager or the company or through broker quotes;
- existence of trading halts, closed markets or singular market event, including material market fluctuation;
- significant event which may relate to a specific issuer, market sector, political or geographical action or natural

disaster;

- the reliability of the broker providing the quote for the financial instrument; and
- whether the quote is an indicative price or a binding offer.

Net Asset Value Determinations in Connection with this Continuous Offering

Our board of directors determines our net asset value for each class of our shares on a monthly basis. We expect that such determination will ordinarily be made within 15 business days after each such completed month. Following the commencement of valuations, to the extent that our net asset value per share on the most recent determination increases above or decreases below our net proceeds per share as stated in this prospectus, our board of directors will adjust the offering prices of any of the classes of our shares to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share as of the most recent valuation date. The adjusted offering prices will become effective five business days after our board of directors determines to set the new prices and we publicly disclose such prices. Our board of directors will continue to adjust the offering prices of all classes of our shares as necessary in this manner. Promptly following any such adjustment to the offering prices per share, we will file a prospectus supplement or post-effective amendment to the registration statement with the SEC disclosing the adjusted offering prices and the effective date of such adjusted offering prices, and we will also post the updated pricing information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain our current offering price by calling us by telephone at (866) 650-0650. If the new offering price per share for any of the classes of our shares being offered by this prospectus represents more than a 20% change in the per share offering price of our shares from the most recent offering price per share, we will file an amendment to the registration statement with the SEC. We will attempt to file the amendment on or before such time in order to avoid interruptions in this offering; however, there can be no assurance that this offering will not be suspended while the SEC reviews any such amendment and until it is declared effective.

Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be withdrawn at any time before the time it has been accepted by us. The monthly closing date on which we will accept subscriptions is expected to be the last business day of each month. The purchase price per share to be paid by each investor will be equal to the price that is in effect on the date we accept such investor's subscription agreement in connection with our monthly closings. Generally, an investor will know the monthly closing date that applies to their subscription. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance.

Historical Net Asset Value Determinations

Our board of directors had also previously determined the net asset value per share for each company share class as of the following months ended:

Month Ended	Class FA	Class A	Class T	Class D	Class I	Class S
2/28/2025	$39.76	$35.81	$35.83	$35.54	$36.23	$40.32
1/31/2025	$40.03	$40.03	$40.03	$40.03	$40.03	$40.03
12/312024	$39.55	$35.68	$35.72	$35.42	$36.12	$40.09
11/30/2024	$39.01	$35.24	$35.28	$34.97	$35.78	$39.57
10/31/2024	$38.60	$34.91	$34.96	$34.65	$35.39	$39.14
9/30/2024	$38.41	$34.78	$34.83	$34.53	$35.26	$38.96
8/31/2024	$37.93	$34.40	$34.44	$34.14	$34.90	$38.53
7/31/2024	$37.79	$34.31	$34.36	$34.06	$34.82	$38.40
6/30/2024	$37.83	$34.39	$34.44	$34.15	$34.89	$38.41

5/31/2024	$37.31	$33.95	$34.10	$33.73	$34.47	$37.93
4/30/2024	$37.24	$33.93	$34.01	$33.67	$34.44	$37.85
3/31/2024	$37.20	$33.94	$33.99	$33.68	$34.44	$37.80
2/29/2024	$36.82	$33.65	$33.70	$33.38	$34.13	$37.41
1/31/2024	$36.67	$33.54	$33.60	$33.28	$34.02	$37.26
12/31/2023	$36.67	$33.57	$33.64	$33.31	$34.06	$37.25
11/30/2023	$36.07	$33.22	$33.47	$32.99	$33.70	$36.65
10/31/2023	$36.01	$33.07	$33.13	$32.80	$33.55	$36.60
9/30/2023	$36.03	$33.13	$33.18	$32.86	$33.60	$36.62
8/31/2023	$35.95	$33.16	$33.15	$32.81	$33.61	$36.53
7/31/2023	$35.59	$32.82	$32.88	$32.54	$33.29	$36.18
6/30/2023	$35.51	$32.82	$32.86	$32.52	$33.27	$36.11
5/31/2023	$35.38	$32.71	$32.68	$32.34	$33.16	$35.92
4/30/2023	$35.36	$32.73	$32.73	$32.39	$33.18	$35.88
3/31/2023	$35.50	$32.92	$32.91	$32.57	$33.36	$36.03
2/28/2023	$35.26	$32.72	$32.69	$32.36	$33.16	$35.77
1/31/2023	$35.28	$32.79	$32.78	$32.43	$33.22	$35.78
12/31/2022	$34.90	$32.45	$32.46	$32.11	$32.88	$35.39
11/30/2022	$34.45	$32.10	$32.11	$31.77	$32.59	$34.96
10/31/2022	$34.20	$31.92	$31.93	$31.59	$32.35	$34.70
9/30/2022	$34.15	$31.92	$31.93	$31.59	$32.35	$34.66
8/31/2022	$33.86	$31.66	$31.60	$31.27	$32.13	$34.25
7/31/2022	$33.62	$31.47	$31.47	$31.15	$31.93	$34.06
6/30/2022	$33.54	$31.46	$31.47	$31.15	$31.89	$34.01
5/31/2022	$33.41	$31.35	$31.26	$30.95	$31.79	$33.74
4/30/2022	$33.26	$31.24	$31.20	$30.88	$31.68	$33.62
3/31/2022	$33.28	$31.31	$31.28	$30.97	$31.73	$33.67
2/28/2022	$33.00	$31.08	$30.90	$30.62	$31.49	$33.24
1/31/2022	$32.98	$31.09	$30.94	$30.65	$31.50	$33.20
12/31/2021	$32.62	$30.78	$30.66	$30.35	$31.18	$32.84
11/30/2021	$32.64	$30.95	$30.67	$30.34	$31.34	$32.85
10/31/2021	$32.53	$30.88	$30.63	$30.30	$31.27	$32.73
9/30/2021	$32.44	$30.80	$30.65	$30.27	$31.18	$32.64
8/31/2021	$ 32.26	$ 30.70	$ 30.46	$ 30.11	$ 31.07	$ 32.44
7/31/2021	$ 32.58	$ 31.07	$ 30.85	$ 30.49	$ 31.44	$ 32.76

6/30/2021	$32.40	$30.92	$30.73	$30.35	$31.28	$32.56
5/31/2021	$32.13	$30.70	$30.53	$30.13	$31.06	$32.28
4/30/2021	$31.75	$30.36	$30.21	$29.80	$30.70	$31.89
3/31/2021	$31.22	$29.88	$29.74	$29.33	$30.21	$31.35
2/28/2021	$30.95	$29.65	$29.53	$29.11	$29.97	$31.07
1/31/2021	$30.54	$29.29	$29.18	$28.75	$29.60	$30.66
12/31/2020	$29.97	$28.76	$28.67	$28.24	$29.06	$30.08
11/30/2020	$29.53	$28.36	$28.29	$27.85	$28.65	$29.62
10/31/2020	$29.26	$28.13	$28.08	$27.64	$28.42	$29.35
9/30/2020	$29.00	$27.91	$27.88	$27.44	$28.19	$29.07
8/31/2020	$28.85	$27.80	$27.79	$27.34	$28.08	$28.92
7/31/2020	$28.61	$27.59	$27.60	$27.15	$27.87	$28.66
6/30/2020	$27.96	$26.98	$27.01	$26.58	$27.25	$28.00
5/31/2020	$27.54	$26.61	$26.65	$26.21	$26.88	$27.58
4/30/2020	$27.13	$26.24	$26.30	$25.86	$26.50	$27.16
3/31/2020	$27.15	$26.30	$26.36	$25.94	$26.55	$27.16
2/29/2020	$27.56	$26.75	$26.82	$26.40	$26.99	--
1/31/2020	$27.53	$26.76	$26.85	$26.44	$27.00	--
12/31/2019	$27.64	$26.91	$27.01	$26.61	$27.15	--
11/30/2019	$27.48	$26.79	$26.89	$26.43	$27.02	--
10/31/2019	$27.38	$26.74	$26.85	$26.40	$26.96	--
9/30/2019	$27.34	$26.74	$26.84	$26.43	$26.95	--
8/31/2019	$27.19	$26.64	$26.74	$26.27	$26.83	--
7/31/2019	$27.19	$26.69	$26.79	$26.35	$26.87	--
6/30/2019	$27.19	$26.74	$26.84	$26.46	$26.91	--
5/31/2019	$27.16	$26.75	$26.86	$26.45	$26.91	--
4/30/2019	$26.88	$26.51	$26.62	$26.24	$26.67	--
3/31/2019	$26.72	$26.39	$26.50	$26.17	$26.54	--
2/28/2019	$26.72	$26.43	$26.54	$26.15	$26.57	--
1/31/2019	$26.57	$26.33	$26.43	$26.07	$26.44	--
12/31/2018	$26.65	$26.44	$26.54	$26.23	$26.55	--
11/30/2018	$26.61	$26.42	$26.52	$26.23	$26.52	--
10/31/2018	$26.40	$26.25	$26.33	$26.11	$26.33	--
9/30/2018	$26.41	$26.28	$26.36	$26.20	$26.34	--
8/31/2018	$26.41	$26.30	$26.38	$26.28	$26.35	--

7/31/2018	$26.18	$26.09	$26.16	$26.12	$26.13	--
6/30/2018	$25.43	$25.37	$25.42	$25.41	$25.40	--
5/31/2018	$25.26	$25.08	$25.17	--	$25.23	--
4/30/2018	$25.16	$25.16	--	--	$25.23	--
3/31/2018	$25.13	--	--	--	--	--

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following "Management's Discussion and Analysis of Financial Condition and Results of Operations" is substantially the same as that which was included in our Annual Report on Form 10-K for the year ended December 31, 2024. Unless otherwise defined in this prospectus, capitalized terms are defined in such Annual Report. All references to Notes or Items are to the audited condensed financial statements as of December 31, 2024, which is incorporated by reference. Please see "Risk Factors" and "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We are externally managed by the Manager, CNL Strategic Capital Management, LLC, an entity that is registered as an investment adviser under the Advisers Act. The Manager is controlled by CNL Financial Group, LLC, a private investment management firm specializing in alternative investment products. We have engaged the Manager under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities and sub-managed by the Sub-Manager, Levine Leichtman Strategic Capital, LLC, a registered investment adviser, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is an affiliate of Levine Leichtman Capital Partners, LLC.

The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisitions and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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.

Since we commenced operations on February 7, 2018 through March 24, 2025, we have acquired equity and debt investments in 16 middle market U.S. businesses. Our businesses generally have a track record of stable and predictable operating performance, are highly cash flow generative and have management teams who have a meaningful ownership stake in their respective company. As of March 24, 2025, we had eleven investments structured as controlling equity interests in combination with debt positions, four investments structured as minority equity interests in combination with debt positions and one investment structured as a minority equity interest. All of our debt investments were current as of December 31, 2024.

We were formed as a Delaware limited liability company on August 9, 2016 and we operate and intend to continue to operate our business in a manner that will permit us to avoid registration under the Investment Company Act. We are not a "blank check" company within the meaning of Rule 419 of the Securities Act. We commenced operations on February 7, 2018.

Our Common Shares Offerings

Public Offerings

On March 7, 2018, we commenced the Initial Public Offering of up to $1.1 billion of shares, which included up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Initial Registration Statement. On November 1, 2021, we commenced the Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, of our shares, upon which the Initial Registration Statement was deemed terminated. On November 1, 2024, we commenced the Second Follow-On Public Offering of up to $1.1 billion of shares, which includes up to $100.0 million of shares being offered through our distribution reinvestment plan, pursuant to the Second Follow-On Registration Statement upon which the Follow-On Registration Statement was deemed terminated.

Through December 31, 2024, we had received net proceeds from the Public Offerings of approximately $971.6 million, including approximately $46.4 million received through our distribution reinvestment plan. We incurred selling commissions and dealer manager fees of approximately $14.2 million from the sale of Class A shares and Class T shares in the Public Offerings through December 31, 2024. The Class D shares and Class I shares sold through December 31, 2024 were not subject to selling commissions and dealer manager fees. We also incurred obligations to reimburse the Manager and Sub-Manager for organization and offering costs of approximately $11.7 million based on actual amounts raised through the Public Offerings through December 31, 2024. These organization and offering costs related to the Public Offerings were advanced by the Manager and Sub-Manager, as described further in Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

We are currently offering, in any combination, four classes of shares: Class A shares, Class T shares, Class D shares and Class I shares (collectively, "Non-founder shares") through the Second Follow-On Public Offering. There are differing selling fees and commissions for each share class. We also pay distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in the Public Offerings (excluding shares sold pursuant to our distribution reinvestment plan).

As of December 31, 2024, the public offering price was $38.51 per Class A share, $37.04 per Class T share, $34.97 per Class D share and $35.78 per Class I share. In January, February and March 2025, our board of directors approved new per share public offering prices for each share class in the Second Follow-On Public Offering. The new public offering prices are effective as of January 31, 2025, February 28, 2025 and March 31, 2025, respectively. The following table provides the new public offering prices and applicable upfront selling commissions and dealer manager fees for each share class available in the Second Follow-On Public Offering:

	Class A	Class T	Class D	Class I
Effective January 31, 2025:				
Public Offering Price, Per Share	$ 38.99	$ 37.50	$ 35.42	$ 36.12
Selling Commissions, Per Share	2.34	1.13	—	—
Dealer Manager Fees, Per Share	0.97	0.65	—	—
Effective February 28, 2025:				
Public Offering Price, Per Share	$ 38.89	$ 37.39	$ 35.32	$ 36.01
Selling Commissions, Per Share	2.33	1.12	—	—
Dealer Manager Fees, Per Share	0.98	0.66	—	—
Effective March 31, 2025:				
Public Offering Price, Per Share	$ 39.14	$ 37.62	$ 35.54	$ 36.23
Selling Commissions, Per Share	2.35	1.13	—	—
Dealer Manager Fees, Per Share	0.98	0.66	—	—

See Note 7. "Capital Transactions" and Note 13. "Subsequent Events" in Item 8. "Financial Statements and Supplementary Data" for additional information regarding the Second Follow-On Public Offering in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

Portfolio and Investment Activity

As of December 31, 2024, we had invested in 16 portfolio companies, consisting of equity investments and debt investments in all but one portfolio company. The table below presents our portfolio company investments (in millions):

		As of December 31, 2024						
		Equity Investments		Debt Investments[1]				
Portfolio Company	Initial Investment Date	Ownership %	Cost Basis	Senior Secured Debt	Interest Rate	Maturity Date	Cost Basis	Total Cost Basis [2]
Lawn Doctor	2/7/2018	61%	$ 27.6	Second Lien	16.0%	2/7/2030	$ 15.0	$ 42.6
Lawn Doctor	6/30/2023	—	—	First Lien	[3]	8/6/2029	29.5	29.5
Polyform	2/7/2018	87	15.6	Secured	16.0	2/7/2026	15.7	31.3
Roundtables	8/1/2019	81	33.5	Second Lien	16.0	7/1/2028	12.1	45.6
Roundtables	11/13/2019	—	—	Secured	8.0	12/31/2028	2.0	2.0
Milton	11/21/2019	13	6.6	Second Lien	15.0	12/19/2030	3.4	10.0
Resolution Economics	1/2/2020	8	7.9	Second Lien	15.0	12/30/2027	2.8	10.7
Blue Ridge	3/24/2020	16	10.2	Second Lien	15.0	12/28/2029	2.6	12.8
HSH	7/16/2020	75	17.3	Secured	15.0	7/16/2027	24.4	41.7
ATA	4/1/2021	75	37.1	Secured	15.0	4/1/2027	37.0	74.1
Douglas	10/7/2021	90	35.5	Second Lien	16.0	10/7/2028	15.0	50.5
Clarion	12/9/2021	96	56.8	First Lien	15.0	12/9/2028	22.5	79.3
Vektek	5/6/2022	84	56.9	Second Lien	15.0	11/6/2029	24.4	81.3
Vektek	06/30/23	—	—	Secured	[3]	5/6/2029	24.6	24.6
TacMed	03/24/23	95	76.7	Secured	16.0	3/24/2030	29.0	105.7
Sill	10/20/23	93	90.6	Secured	14.0	10/20/2030	15.9	106.5
USAW	2/21/2024	5	8.6	Second Lien	16.0	8/20/2031	1.4	10.0
LBR	6/17/2024	7	62.2	[4]	[4]	[4]	—	62.2
MAP	7/18/2024	57	57.5	First Lien	15.0	7/18/2031	$ 15.0	72.5
			$ 600.6				$ 292.3	$ 892.9

FOOTNOTES:

(1) The note purchase agreements contain customary covenants and events of default. As of December 31, 2024, all of our portfolio companies were in compliance with their respective debt covenants.

(2) See the Consolidated Schedules of Investments and Note 3. "Investments" of Item 8. "Financial Statements and Supplementary Data" for additional information related to our investments, including fair values as of December 31, 2024 included in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

(3) As of December 31, 2024, the senior debt investments in Lawn Doctor and Vektek accrue interest at a per annum rate of SOFR + 4.60% and SOFR + 4.35%, respectively. SOFR at December 31, 2024 was 4.53%.

(4) Investment in portfolio company consists of minority equity interests only.

The portfolio companies are required to make monthly interest payments on their debt, with the debt principal due upon maturity. Failure of any of these portfolio companies to pay contractual interest payments could have a material adverse effect on our results of operations and cash flows from operations, which would impact our ability to make distributions to shareholders.

Our Portfolio Companies

The below information regarding our portfolio companies contain a financial measure, Adjusted EBITDA, utilized by management to evaluate the operating performance and liquidity of our portfolio companies that is not calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Adjusted EBITDA should not be considered in isolation from or as superior to or as a substitute for net income (loss), income (loss) from operations, or other

financial measures determined in accordance with GAAP. We present this non-GAAP measure quarterly for our portfolio companies in which we own a controlling equity interest and annually for all of our portfolio companies.

You are encouraged to evaluate the adjustments to Adjusted EBITDA, including the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future our portfolio companies may incur expenses that are the same as or similar to some of the adjustments in this presentation. The presentations of Adjusted EBITDA should not be construed as an inference that the future results of our portfolio companies will be unaffected by unusual or non-recurring items.

We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies calculate this non-GAAP measure in the same manner. Because of these limitations and additional limitations described below, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on the GAAP results and using Adjusted EBITDA only as supplemental measures.

Additionally, we provide our proportionate share of each non-GAAP measure because our ownership percentage of each portfolio company varies. We urge investors to consider our ownership percentage of each portfolio company when evaluating the results of each of our portfolio companies.

Adjusted EBITDA

When evaluating the performance of our portfolio, we monitor Adjusted EBITDA to measure the financial and operational performance of our portfolio companies and their ability to pay contractually obligated debt payments to us. In connection with this evaluation, the Manager and Sub-Manager review monthly portfolio company operating performance versus budgeted expectations and conduct regular operational review calls with the management teams of the portfolio companies.

We present Adjusted EBITDA as a supplemental measure of the performance of our portfolio companies because we believe it assists investors in comparing the performance of such businesses across reporting periods on a consistent basis by excluding items that we do not believe are indicative of their core operating performance.

We define Adjusted EBITDA as net income (loss), plus (i) interest expense, net, and loan cost amortization, (ii) taxes and (iii) depreciation and amortization, as further adjusted for certain other non-recurring items that we do not consider indicative of the ongoing operating performance of our portfolio companies. These further adjustments are itemized below. Our proportionate share of Adjusted EBITDA is calculated based on our equity ownership percentage at period end.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are: (i) Adjusted EBITDA does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; (iii) Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on indebtedness; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; (v) Adjusted EBITDA does not reflect the impact of certain cash charges resulting from matters we do not consider to be indicative of the ongoing operations of our portfolio companies; and (vi) other companies in similar industries as our portfolio companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Lawn Doctor

Lawn Doctor, Inc. (“Lawn Doctor”) is a leading franchisor of residential lawn care programs and services. Lawn Doctor’s core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor is not involved in other lawn maintenance services, such as mowing, edging and leaf blowing. In May 2018, Lawn Doctor acquired a majority equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook, Illinois and specializes in the eradication of mosquitos through regular spraying

applications and follow-up maintenance. In May 2019, Lawn Doctor acquired a majority equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions. In October 2022, Lawn Doctor acquired a controlling equity interest in Elite Window Cleaning Inc., a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. These acquisitions further Lawn Doctor's strategy of both growing organically and also via acquisition of additional home service brands.

As of December 31, 2024 and 2023, Lawn Doctor had total assets of approximately $98.7 million and $100.0 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Lawn Doctor for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 45,264	$ 40,996
Net income (GAAP)	$ 3,388	$ 2,741
Interest and debt related expenses	5,900	5,880
Depreciation and amortization	2,614	2,653
Income tax expense	1,479	1,059
Adjusted EBITDA (non-GAAP)	$ 13,381	$ 12,333
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 8,095*	*$ 7,466*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 61% of Lawn Doctor.

Polyform

Polyform Products Company, Inc. ("Polyform"), is a leading developer, manufacturer and marketer of polymer clay products worldwide. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers.

As of December 31, 2024 and 2023, Polyform had total assets of approximately $31.7 million and $33.1 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of Polyform for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 18,951	$ 16,073
Net loss (GAAP)	$ (463)	$ (1,072)
Interest and debt related expenses	2,918	2,899
Depreciation and amortization	1,863	1,860
Income tax benefit	(148)	(440)
Adjusted EBITDA (non-GAAP)	$ 4,170	$ 3,247
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 3,632*	*$ 2,829*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 87% of Polyform.

Roundtables

Auriemma U.S. Roundtables ("Roundtables") is an information services and advisory solutions business to the consumer finance industry. Prior to our acquisition, Roundtables operated as a division of Auriemma Consulting Group, Inc. Roundtables offers membership in any of 30+ topic-specific roundtables across five verticals (credit cards, auto finance, banking, wealth management and other lending) that includes participation in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma's services offering. In August 2023, Roundtables acquired insideARM, a U.S.-based company providing services to the third-party debt collection industry. These acquisitions further Roundtables' strategy of both growing organically and through mergers and acquisitions ("M&A").

As of December 31, 2024 and 2023, Roundtables had total assets of approximately $59.5 million and $61.6 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Roundtables for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 17,890	$ 17,507
Net income (GAAP)	$ 1,353	$ 1,232
Interest and debt related expenses	2,510	2,444
Depreciation and amortization	2,087	2,059
Income tax expense	329	602
Adjusted EBITDA (non-GAAP)	$ 6,279	$ 6,337
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 5,071*	*$ 5,118*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 81% of Roundtables.

HSH

Healthcare Safety Holdings, LLC ("HSH") is a leading producer of daily use insulin pen needles, syringes and complementary offerings for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps.

As of December 31, 2024 and 2023, HSH had total assets of approximately $42.4 million and $45.0 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of HSH for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 35,002	$ 35,575
Net income (GAAP)	$ 2,515	$ 3,080
Interest and debt related expenses	3,725	3,670
Depreciation and amortization	2,921	2,998
Income tax expense	722	1,319
Adjusted EBITDA (non-GAAP)	$ 9,883	$ 11,067
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 7,364*	*$ 8,246*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 75% of

HSH.

ATA

ATA National Title Group, LLC ("ATA") is a leading national independent title agency and settlement service provider for the residential resale, residential refinance, commercial and default markets in the Great Lakes Region. Its brands include ATA National Title Group, Greco Title Agency, Midstate Title Agency, Seaver Title Agency and Talon Title Agency. In February 2022, ATA acquired Absolute Title, Inc., which is a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan. This acquisition furthers ATA's strategy of both growing organically and through M&A.

As of December 31, 2024 and 2023, ATA had total assets of approximately $86.7 million and $89.2 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of ATA for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 52,070	$ 48,448
Net loss (GAAP)	$ (2,377)	$ (3,482)
Interest and debt related expenses	5,870	5,986
Depreciation and amortization	4,302	4,378
Adjusted EBITDA (non-GAAP)	$ 7,795	$ 6,882
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 5,846*	*$ 5,162*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 75% of ATA.

Douglas

Douglas Machines Corp. ("Douglas") is a leading manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations.

As of December 31, 2024 and 2023, Douglas had total assets of approximately $55.9 million and $57.6 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net (loss) income of Douglas for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 27,468	$ 31,379
Net (loss) income (GAAP)	$ (11)	$ 566
Interest and debt related expenses	2,506	2,523
Depreciation and amortization	1,442	1,434
Income tax (benefit) expense	(195)	144
Adjusted EBITDA (non-GAAP)	$ 3,742	$ 4,667
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 3,376*	*$ 4,210*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 90% of Douglas.

Clarion

Clarion Safety Systems, LLC ("Clarion") is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely on Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. In June 2022, Clarion acquired Machine Safety Specialists, which specializes in engineering consulting services, including machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other work streams that contribute to customers' compliance with applicable machine safety standards. In December 2023, Clarion acquired machine safeguarding integrator Arrow Industrial Solutions.

As of December 31, 2024 and 2023, Clarion had total assets of approximately $81.3 million and $80.4 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income (loss) of Clarion for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 17,574	$ 13,094
Net income (loss) (GAAP)	$ 462	$ (178)
Interest and debt related expenses	3,331	3,392
Depreciation and amortization	1,026	991
Income tax expense (benefit)	187	(70)
Adjusted EBITDA (non-GAAP)	$ 5,006	$ 4,135
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 4,819*	*$ 3,986*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 96% of Clarion.

Vektek

Vektek Holdings, LLC ("Vektek") designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. A market leader in high-pressure hydraulic clamps, Vektek products are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace.

As of December 31, 2024 and 2023, Vektek had total assets of approximately $110.1 million and $114.1 million, respectively. The following tables reconcile our proportionate share of Adjusted EBITDA from net income of Vektek for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Revenues	$ 35,260	$ 38,608
Net income (GAAP)	$ 387	$ 1,031
Interest and debt related expenses	6,333	6,853
Depreciation and amortization	3,638	3,635
Income tax expense	16	—
Adjusted EBITDA (non-GAAP)	$ 10,374	$ 11,519
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[(1)]	*$ 8,685*	*$ 9,643*

FOOTNOTES:

(1) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023 , we owned approximately 84% of Vektek.

TacMed

Tacmed Holdings, LLC ("TacMed") designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed's suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed's medical simulation training solutions combine advanced technology and durable materials to offer customers the highest fidelity training simulators and provide realistic replicas for emergency medical personnel training exercises.

As of December 31, 2024 and 2023, TacMed had total assets of approximately $111.3 million and $114.3 million. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of TacMed for the year ended December 31, 2024 and for the period from March 24, 2023 (the date we acquired our investment in TacMed) to December 31, 2023 (in thousands):

	Years Ended December 31,	
	2024	2023[1]
Revenues	$ 47,239	$ 32,332
Net loss (GAAP)	$ (1,460)	$ (5,540)
Interest and debt related expenses	4,773	3,854
Depreciation and amortization	5,452	3,813
Income tax benefit	(417)	(1,714)
Transaction related expenses[2]	45	1,959
Purchase accounting impact on cost of goods sold[3]	$ —	2,542
Adjusted EBITDA (non-GAAP)	$ 8,393	$ 4,914
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[4]	*$ 8,014*	*$ 4,692*

FOOTNOTES:

(1) Results are for the period from March 24, 2023 (the date we acquired our investment in TacMed) to December 31, 2023.

(2) Initial buyer transaction costs paid by TacMed included in the purchase price. Transaction related expenses are non-recurring.

(3) Purchase accounting requires inventory to be recorded at fair value as of the purchase date. As inventory is sold, cost of goods sold is higher than the cost to manufacture inventory due to the step up in fair value. Increased cost of goods sold due to purchase accounting is non-recurring.

(4) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 95% of TacMed.

Sill

Sill Holdings, LLC ("Sill") is among the leading specialty insurance consulting firms exclusively representing business and property owners in connection with their property insurance claims. Sill focuses on providing expert claim preparation, management and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events.

As of December 31, 2024 and 2023, Sill had total assets of approximately $120.0 million and $76.9 million. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of Sill for the year ended December 31, 2024 and period from October 20, 2023 (the date we acquired our investment in Sill) to December 31, 2023 (in thousands):

	Years Ended December 31,	
	2024	2023[1]
Revenues	$ 22,311	$ 3,804
Net loss (GAAP)	$ (1,397)	$ (1,011)
Interest and debt related expenses	2,297	454
Depreciation and amortization	2,736	369
Income tax expense (benefit)	911	(532)
Transaction related expenses[2]	—	1,801
Adjusted EBITDA (non-GAAP)	$ 4,547	$ 1,081
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[3]	*$ 4,242*	*$ 1,071*

FOOTNOTES:

(1) Results are for the period from October 20, 2023 (the date we acquired our investment in Sill) to December 31, 2023.

(2) Initial buyer transaction costs paid by Sill included in the purchase price. Transaction related expenses are non-recurring.

(3) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024 and 2023, we owned approximately 93% and 99% of Sill.

MAP

Madison Retirement Holdings TopCo, LLC ("MAP") is a third-party administrator of retirement plans. Servicing small and mid-size businesses across all 50 states, MAP provides customer with plan design and implementation, plan administration, compliance, fiduciary services and customer support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

As of December 31, 2024, MAP had total assets of approximately $122.7 million. The following table reconciles our proportionate share of Adjusted EBITDA of MAP from net loss for the period from July 18, 2024 (the date we acquired our investment in MAP) to December 31, 2024 (in thousands):

	2024[1]
Revenues	$ 8,418
Net loss (GAAP)	$ (4,994)
Interest and debt related expenses	748
Depreciation and amortization	1,481
Transaction related expenses[2]	1,412
Adjusted EBITDA (non-GAAP)	$ (1,353)
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[3]	*$ (771)*

FOOTNOTES:

(1) Results are for the period from July 18, 2024 (the date we acquired our investment in MAP) to December 31, 2024.

(2) Initial buyer transaction costs paid by MAP included in the purchase price. Transaction related expenses are non-recurring.

(3) Amounts based on our ownership percentage as of the end of the periods presented. As of December 31, 2024, we owned approximately 57% of MAP.

Other Portfolio Companies

Milton

Milton Industries, Inc. ("Milton") is a leading provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair and operating supplies; aerospace and

defense; and agriculture. The company has more than 5,000 active customers and over 3,000 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators and lubricators. Milton's high-quality products, engineering expertise and partnership approach creates long-term relationships, with an average tenure of over 30 years among its top ten customers. Milton completed four add-on acquisitions during 2021 and 2020, including GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joints, "PTFE" products and pump connectors product lines. During 2022, Milton completed three additional add-on acquisitions, including Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications, Lock Technology which provides specialty tools to the automotive end market, and ProMax which provides specialty tools, components and accessories for the automotive and truck industries. In March 2023, Milton acquired Steck Manufacturing, which expands Milton's product suite and end-market reach to offer specialty tools to the automotive, body shop, towing and public safety end markets. In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems. These acquisitions further Milton's strategy of both growing organically and through M&A.

Resolutions Economics

Resolution Economics, LLC ("Resolution Economics") is a leading specialty consulting firm that provides services to law firms and corporations in labor and employment and commercial litigation matters. In October 2022, Resolutions Economics acquired Berkshire Associates which specializes in outsourced affirmative action plan consulting. In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, CA. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge

Blue Ridge ESOP Associates ("Blue Ridge") is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 30 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software. In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs. In April 2021, Blue Ridge acquired Coastal Pension Services, a leading provider of outsourced 401(k) administration services in the greater Washington, D.C. area. In December 2021, Blue Ridge acquired a California based provider of outsourced 401(k), defined benefit and cash balance plan administration services. In January 2022, Blue Ridge acquired Nicholas and Associates which specializes in the design and administration of retirement plans. Additionally, in August 2022, Blue Ridge acquired substantially all of the Tax Benefits Plan Services business of Crowe LLP which specializes in ESOP administration as well as retirement plan and consulting services. These acquisitions further Blue Ridge's strategy of both growing organically and through M&A. In February 2023, Blue Ridge acquired a majority investment in Workplace Development Inc., which provides innovative ESOP communication, training and ownership culture services that complement the services Blue Ridge offers its customers. In May 2024, Blue Ridge acquired TSC 401K, a premier third-party administration firm that offers expert retirement plan consulting, design and administration solutions for businesses and their financial advisors.

USAW

USA Water Intermediate Holdings, LLC ("USAW") is a leading provider of operations and maintenance services for water and wastewaster systems across the Southeast United States. USAW was established in 2012 and is based in Rosenberg, TX. USAW's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management and regulatory compliance needs to a professional partner of scale. USAW's industry-leading technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory and compliance, and billing and administrative services. In August 2024, USAW acquired AWR Services, Inc ("AWR"). Headquartered in Austin, TX, AWR provides utility management services to the water and

wastewater industry. AWR is a strategic acquisition serving to broaden USAW's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.

LBR

LOCI Topco Limited ("LBR") is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Co-Investments

We refer to our investments in Milton, Resolution Economics, Blue Ridge, USAW, and LBR collectively as our "Co-Investments." As of December 31, 2024, our Co-Investments had total assets of approximately $1,760.0 million, which included all five investments. As of December 31, 2023, our Co-Investments had total assets of $535.4 million, which was represented by Milton, Resolutions Economics and Blue Ridge. The following tables reconcile our proportionate share of Adjusted EBITDA from net loss of our Co-Investments for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024[1]	**2023**
Revenues	$ 389,921	$ 204,556
Net loss (GAAP)	$ (50,656)	$ (2,898)
Interest and debt related expenses	66,074	30,477
Depreciation and amortization	30,699	9,436
Income tax (benefit) expense	(757)	2,268
Adjusted EBITDA (non-GAAP)	$ 45,360	$ 39,283
Our Proportionate Share of Adjusted EBITDA (non-GAAP)[2]	*$ 4,331*	*$ 5,003*

FOOTNOTES:

(1) Results for USAW and LBR are for the periods from February 21, 2024 and June 17, 2024 (the dates the Company acquired its investments in each), respectively, to December 31, 2024.

(2) Amounts based on our ownership percentage as of the end of the periods presented. We owned approximately 13%, 8%, 16%, 5% and 7% of Milton, Resolution Economics, Blue Ridge, USAW and LBR, respectively, at the end of December 31, 2024. We owned approximately 13%, 8% and 16% of Milton, Resolution Economics and Blue Ridge, respectively, at the end of December 31, 2023.

Factors Impacting Our Operating Results

We expect that the results of our operations will be affected by a number of factors. Many of the factors that will affect our operating results are beyond our control. We will be dependent upon the earnings of and cash flow from the businesses that we acquire to meet our operating and management fee expenses and to make distributions. These earnings and cash flows, net of any minority interests in these businesses, will be available:

- *first*, to meet our management fees and corporate overhead expenses; and
- *second*, to fund business operations and to make distributions to our shareholders.

Size of assets

If we are unable to raise substantial funds, we will be limited in the number and type of acquisitions we may make. The size of our assets will be a key revenue driver. Generally, as the size of our assets grows, the amount of income we receive will increase.

In addition, our assets may grow at an uneven pace as opportunities to acquire assets may be irregularly timed, and the timing and extent of the Manager's and the Sub-Manager's success in identifying such opportunities, and our success in making acquisitions, cannot be predicted.

Market conditions

From time to time, the global capital markets may experience periods of disruption and instability, as we have seen and continue to see with the recent public health crises, natural disasters and geopolitical events, which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital. Furthermore, economic growth remains affected by inflationary pressure, tariff policies and supply chain related disruptions and could be slowed or halted by significant external events. Some of our portfolio companies have experienced supply chain related disruptions from time to time. In some instances, strategic decisions to hold more inventory have been made as a result of ongoing supply chain related disruptions. Significant changes or volatility in the capital markets have and may continue to have a negative effect on the valuations of our businesses and other assets. While all of our assets are likely to not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our assets are sold in a principal market to market participants (even if we plan on holding an asset long term or through its maturity) and impairments of the market values or fair market values of our assets, even if unrealized, must be reflected in our financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. Significant changes in the capital markets may also affect the pace of our activity and the potential for liquidity events involving our assets. Thus, the illiquidity of our assets may make it difficult for us to sell such assets to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our assets if we were required to sell them for liquidity purposes.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments, fund and maintain our assets and operations, repay borrowings, make distributions to our shareholders and other general business needs. We will use significant cash to fund acquisitions, make additional investments in our portfolio companies, make distributions to our shareholders and fund our operations. Our primary sources of cash will generally consist of:

- the net proceeds from the Public Offerings;
- distributions and interest earned from our assets; and
- proceeds from sales of assets and principal repayments from our assets.

We expect we will have sufficient cash from current sources to meet our liquidity needs for the next twelve months. However, we may opt to supplement our equity capital and increase potential returns to our shareholders through the use of prudent levels of borrowings. We may use debt when the available terms and conditions are favorable to long-term investing and well-aligned with our business strategy. In light of the current economic environment, impacted by rising interest rates, record inflationary pressures due to global supply chain issues, a rise in energy prices and the impact of the recent public health crises, natural disasters and geopolitical events on the global economy, we are closely monitoring overall liquidity levels and changes in the business performance of our portfolio companies to be in a position to enact changes to ensure adequate liquidity going forward.

While we generally intend to hold our assets for the long term, certain assets may be sold in order to manage our liquidity needs, meet other operating objectives and adapt to market conditions. The timing and impact of future sales of our assets, if any, cannot be predicted with any certainty.

As of December 31, 2024 and 2023, we had approximately $146.3 million and $134.5 million, respectively, of cash. Information related to the year ended December 31, 2022 is included in our Form 10-K filed with the SEC on March 27, 2024.

Sources of Liquidity and Capital Resources

Offerings. We received approximately $220.8 million and $245.8 million in net proceeds during the years ended December 31, 2024 and 2023, respectively, from the Public Offerings, which excludes approximately $18.1 million and $12.8 million raised through our distribution reinvestment plan during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, we had approximately 811 million authorized common shares remaining for sale.

Operating Activities. We generated operating cash flows (excluding amounts related to investment activity) of approximately $31.2 million and $21.1 million, during the years ended December 31, 2024 and 2023, respectively.

The increase in operating cash flows (excluding amounts related to investment activity) for the year ended December 31, 2024, as compared to the year ended December 31, 2023, was primarily attributable to (i) an increase in interest income of approximately $12.5 million (ii) an increase in return of capital of approximately $3.3 million offset by (iii) an increase in third-party operating expenses, net of changes in liabilities, of approximately $3.8 million and (iv) an increase in amounts paid to related parties of approximately $1.8 million.

Borrowings. We did not borrow any amounts during the years ended December 31, 2024 and 2023. The purpose of the Line of Credit is for general Company working capital and acquisition financing purposes. See Note 8. "Borrowings" of Item 8. "Financial Statements and Supplementary Data" for additional information regarding the 2022 Line of Credit included in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

Uses of Liquidity and Capital Resources

Investments. We used approximately $173.7 million and $243.2 million of cash to purchase portfolio company investments during the years ended December 31, 2024 and 2023, respectively. Additionally, we used net cash of approximately $109.3 million to invest in U.S. Treasury bills during the year ended December 31, 2023. No U.S. Treasury bills were held at December 31, 2024.

Distributions. We paid distributions to our shareholders of approximately $19.8 million and $17.3 million (which excludes distributions reinvested of approximately $18.1 million and $12.8 million, respectively) during the years ended December 31, 2024 and 2023, respectively. See "Distributions Declared" below for additional information.

Share Repurchases. We paid approximately $46.5 million and $18.0 million during the years ended December 31, 2024 and 2023, respectively, to repurchase shares in accordance with our Share Repurchase Program.

Deferred Financing Costs. We paid approximately $0.2 million and $0.1 million in deferred financing costs during the years ended December 31, 2024 and 2023, respectively.

Reimbursement of Expense Support. We accrued a reimbursement of expense support due to the Manager and Sub-Manager of approximately $0.6 million during the year ended December 31, 2023, all of which was paid in January 2024. As of December 31, 2024, there is no remaining unreimbursed Expense Support under the terms of the Expense Support and Conditional Reimbursement Agreement. Our obligation to make Conditional Reimbursements will automatically terminate and be of no further effect three years following the date which the Expense Support amount was provided and to which such Conditional Reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement. See Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data" for additional information included in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

Distributions Declared

The Company's board of directors declared distributions on a monthly basis during the years ended December 31, 2024 and 2023 (twelve record dates). The following table reflects total distributions declared during the years ended December 31, 2024 and 2023 (in thousands except per share data):

Distribution Period	Distributions Declared[1]	Distributions Reinvested[2]	Cash Distributions Net of Distributions Reinvested	Range of Distribution Rates[3]
Year ended December 31, 2024	$ 37,899	$ 18,145	$ 19,754	2.7% - 3.7%
Year ended December 31, 2023	30,063	12,759	17,304	2.8% - 3.8%

FOOTNOTES:

(1) Monthly distributions declared per share for each share class were as follows:

Record Date Period	Class FA	Class A	Class T	Class D	Class I	Class S
January 1, 2024 - December 31, 2024	$ 0.104167	$ 0.104167	$ 0.083333	$ 0.093750	$ 0.104167	$ 0.104167
January 1, 2023 - December 31, 2023	0.104167	0.104167	0.083333	0.093750	0.104167	0.104167

(2) Amounts based on distribution record date.

(3) Represents the range of monthly distribution rates during the period, measured on the dollar value of distributions per share class as a percentage of the respective share class public offering price.

Cash distributions declared net of distributions reinvested were funded from the following sources noted below (in thousands):

	Years Ended December 31,			
	2024		2023	
	Amount	Percentage[1]	Amount	Percentage [1]
Net investment income before reimbursement of expense support (reimbursement)	$ 21,065	106.6 %	$ 23,110	133.5 %
Expense support (reimbursement)	20	0.1	(644)	(3.7)
Net investment income	$ 21,085	106.7 %	$ 22,466	129.8 %
Cash distributions declared, net of distributions reinvested[2]	$ 19,754	100.0 %	$ 17,304	100.0 %

FOOTNOTES:

(1) Represents percentage of cash distributions declared, net of distribution reinvested for the period presented.

(2) Excludes $18,145 and $12,759 of distributions reinvested pursuant to our distribution reinvestment plan during the years ended December 31, 2024 and 2023, respectively.

Distribution amounts and sources of distributions declared vary among share classes. We calculate each shareholder's specific distribution amount for the period using record and declaration dates. Distributions are declared on all classes of our shares at the same time. Amounts distributed to each class are allocated among the holders of our shares in such class in proportion to their shares. There is no assurance that we will pay distributions in any particular amount, if at all.

See Note 6. "Distributions" in Item 8. "Financial Statements and Supplementary Data" for additional disclosures regarding distributions included in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

Distribution Reinvestment Plan

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in the Public Offerings have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash, are residents of Opt-In States, or are clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan. Opt-In States include Alabama, Arkansas, California, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Oregon, Vermont and Washington. Shareholders who are residents of Opt-In States, holders of Class FA shares and clients of certain

participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares are reinvested in additional Class A shares. Class S shares do not participate in the distribution reinvestment plan.

The purchase price for shares purchased under our distribution reinvestment plan is equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under the Share Repurchase Program.

We do not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in the Public Offerings is allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Our shareholders will be taxed on their allocable share of income, even if their distributions are reinvested in additional shares of our common shares and even if no distributions are made.

Share Repurchase Program

We adopted the Share Repurchase Program effective March 2019, as amended, pursuant to which we conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share of the month immediately prior to the repurchase date. The repurchase date is generally the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the Share Repurchase Program. If we determine to repurchase shares, the Share Repurchase Program also limits the total amount of aggregate repurchases of Class FA, Class A, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The Share Repurchase Program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

The aggregate amount of funds under the Share Repurchase Program is determined on a quarterly basis at the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use sources, including, but not limited to, offering proceeds and borrowings to repurchase shares.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested and the order of priority described in the Share Repurchase Program. We may repurchase shares including fractional shares, computed to three decimal places.

Under the Share Repurchase Program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under the Share Repurchase Program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. “Investable

assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries, obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

During the years ended December 31, 2024 and 2023, we received requests for the repurchase of approximately $57.5 million and $23.8 million, respectively, of our common shares. Our board of directors approved the repurchase requests received.

The following table summarizes the shares repurchased during the years ended December 31, 2024 and 2023 (in thousands except per share data):

	Years Ended December 31,					
	2024			2023		
Share Class	Number of Shares	Total Consideration	Average Price Paid per Share	Number of Shares	Total Consideration	Average Price Paid per Share
Class FA	162	$ 6,076	$ 37.44	65	$ 2,309	$ 35.75
Class A	135	4,624	34.20	127	4,187	33.03
Class T	153	5,175	34.04	69	2,270	33.13
Class D	121	4,154	34.33	40	1,318	32.73
Class I	1,031	36,078	35.02	391	13,098	33.44
Class S	36	1,387	38.44	17	624	36.45
Total	1,638	$ 57,494	$ 35.13	709	$ 23,806	$ 33.58

Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

Through December 31, 2024, we had acquired equity and debt investments in 16 portfolio companies using the net proceeds from our Offerings. As of December 31, 2024 and 2023, the fair value of our portfolio company investments totaled approximately $1.1 billion and $876.8 million, respectively. See "Portfolio and Investment Activity" above for discussion of the general terms and characteristics of our investments and for information regarding our portfolio companies.

The following table summarizes our operating results for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
Total investment income	$ 71,701	$ 59,511
Total operating expenses	(50,607)	(36,401)
Expense support (reimbursement), net	20	(644)
Net investment income before taxes	21,114	22,466
Income tax expense	(29)	—
Net investment income	**21,085**	**22,466**
Total net realized gain on investments	—	4
Total net change in unrealized appreciation on investments, including unrealized foreign currency gain	88,671	41,689
Net increase in net assets resulting from operations	**$ 109,756**	**$ 64,159**

Investment Income

Investment income consisted of the following for the years ended December 31, 2024 and 2023 (in thousands):

	Years Ended December 31,	
	2024	**2023**
From portfolio company investments:		
Interest income	$ 40,623	$ 34,172
Dividend income	22,354	20,190
PIK dividend income	2,755	—
From U.S. Treasury bills and cash and cash equivalents:		
Interest income	5,969	5,149
Total investment income	**$ 71,701**	**$ 59,511**

Interest income from portfolio company investments is generated from our senior secured note investments, the majority of which had fixed rate interest as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, our weighted average annual yield on our accruing debt investments was 14.1% and 14.2%, respectively, based on amortized cost as defined above in "Portfolio and Investment Activity." The increase in interest income from portfolio company investments during the year ended December 31, 2024, as compared to the year ended December 31, 2023, is primarily attributable to (i) receiving a full year of interest income on debt investments acquired in March 2023 and October 2023 of approximately $44.9 million (ii) receiving a full year of interest income on additional senior debt investments in existing portfolio companies during the year ended December 31, 2023 of approximately $54.5 million and (iii) acquisitions of new portfolio companies during the year ended December 31, 2024 resulting in debt investments of $16.4 million. The increase in interest income resulting from the above transactions was $2.9 million, $2.7 million and $0.8 million, respectively.

Dividend income from portfolio company investments is recorded on the record date for privately issued securities, but excludes any portion of distributions that are treated as a return of capital. During 2024 and 2023, we received dividend income from 13 and nine of our portfolio companies, respectively.

PIK dividend income from portfolio company investments is computed at the contractual rate specified in each applicable agreement and is accrued and recorded as dividend income and added to the principal balance of the preferred equity. PIK dividend income was approximately $2.8 million for the year ended December 31, 2024. No PIK dividend income was recognized for the year ended December 31, 2023. The increase in PIK dividend income is primarily attributable to the new preferred equity investment made during June 2024.

Our total investment income from portfolio company investments for the year ended December 31, 2024, resulted in cash yields ranging from 1.9% to 17.8% based on our investment cost, as compared to 3.1% to 20.5% for the year ended December 31, 2023.

The increase in interest income from U.S. Treasury bills and cash and cash equivalents is a result of a modest increase in the average investment yield and an increase in the average investment balance driven by the net dollars raised in Public Offerings offset by lower deal volume during the year ended December 31, 2024.

We stopped investing in U.S. Treasury bills by the end of the fourth quarter of 2023. For the year ended December 31, 2023 our effective yield on U.S. Treasury bills ranged from 3.4% to 5.0%. Beginning in July 2023, we have invested in an IntraFi Cash Service ("ICS") account. During the year ended December 31, 2024, our effective yield on cash invested in the ICS account ranged from 4.0% to 5.0% compared to an effective yield of 5.0% for the year ended December 31, 2023.

We do not believe that our interest income, dividend income and total investment income are representative of either our stabilized performance or our future performance. We expect investment income to increase in future periods as we increase our base of assets that we expect to acquire from existing cash, borrowings and an expected increase in capital available for investment using proceeds from the Public Offerings.

Operating Expenses

Our operating expenses for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	Years Ended December 31,	
	2024	**2023**
Total return incentive fees	$ 24,119	$ 13,506
Base management fees	18,083	13,208
Offering expenses	1,265	3,419
Professional services	3,119	1,875
Pursuit costs	1,301	1,875
Distribution and shareholder servicing fees	1,313	1,184
Custodian and accounting fees	536	452
General and administrative expenses	449	480
Insurance expense	215	207
Director fees and expenses	207	195
Total operating expenses	**50,607**	**36,401**
Expense support	(20)	—
Reimbursement of Expense Support	—	644
Net operating expenses	**$ 50,587**	**$ 37,045**

We consider the following expense categories to be relatively fixed in the near term: insurance expenses and director fees and expenses. Variable operating expenses include total return incentive fees, base management fees, organization and offering expenses, professional services, distribution and shareholder servicing fees, custodian and accounting fees, general and administrative expenses and pursuit costs. We expect these variable operating expenses to increase in connection with the growth in our asset base (base management fees, total return incentive fees, accounting fees and general and administrative expenses), the number of shareholders and open accounts (professional services, distribution and shareholder servicing fees and custodian and accounting fees), and/or the complexity of our investment processes and capital structure (professional services).

Total Return Incentive Fee

The Manager and Sub-Manager are eligible to receive incentive fees based on the Total Return to Shareholders, as defined in the Management Agreement and Sub-Management Agreement, for each share class in any calendar year, payable annually in arrears. We accrue (but do not pay) the total return incentive fee on a quarterly basis, to the extent that it is earned, and perform a final reconciliation at completion of each calendar year. The total return incentive fee is due and payable to the Manager and Sub-Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

We incurred total return incentive fees of approximately $24.1 million and $13.5 million during the years ended December 31, 2024 and 2023, respectively. The increase in total return incentive fees during the year ended December 31, 2024, as compared to the year ended December 31, 2023, is primarily due to an increase in the net change in unrealized appreciation on investments.

Base Management Fee

Our base management fee is calculated for each share class at an annual rate of (i) for the Non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of Non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the Founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding Founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and is payable monthly in arrears.

We incurred base management fees of approximately $18.1 million and $13.2 million during the years ended December 31, 2024 and 2023, respectively. The increase in base management fees is primarily attributable to the increase in our average gross assets (excluding cash and U.S. Treasury bills) which were approximately $982.0 million and $738.2 million during the years ended December 31, 2024 and 2023, respectively.

Offering Expenses

Offering expenses, which consist of amounts incurred for items such as legal, accounting, regulatory and printing work incurred related to the Public Offerings, are capitalized on our consolidated statements of assets and liabilities as deferred offering expenses and expensed to our consolidated statements of operations over the lesser of the offering period or 12 months; however, the end of the deferral period will not exceed 12 months from the date the offering expense is incurred by the Manager and the Sub-Manager. We incurred offering expenses of approximately $1.3 million and $3.4 million during the years ended December 31, 2024 and 2023, respectively.

Pursuit Costs

Pursuit costs relate to transactional expenses incurred to identify, evaluate and negotiate acquisitions that ultimately were not consummated. We incurred pursuit costs of approximately $1.3 million and $1.9 million during the years ended December 31, 2024 and 2023, respectively.

Distribution and Shareholder Servicing Fees

The Managing Dealer is eligible to receive a distribution and shareholder servicing fee, subject to certain limits, with respect to our Class T and Class D shares sold in the Public Offerings (excluding Class T shares and Class D shares sold through our distribution reinvestment plan and those received as share distributions) in an amount equal to 1.00% and 0.50%, respectively, of the current net asset value per share.

We incurred distribution and shareholder servicing fees of approximately $1.3 million and $1.2 million during the years ended December 31, 2024 and 2023, respectively. The increase in distribution and shareholder servicing fees during the year ended December 31, 2024, as compared to the year ended December 31, 2023, is attributable to an increase in Class T and Class D shares outstanding.

Other Operating Expenses

Other operating expenses (consisting of professional services, insurance expense, custodian and accounting fees, director fees and expenses, and general and administrative expenses) were approximately $4.5 million and $3.2 million during the years ended December 31, 2024 and 2023, respectively. The increase in other operating expenses during the year ended December 31, 2024, as compared to the year ended December 31, 2023, is primarily attributable to an increase in custodian, accounting, legal, tax and valuation professional services resulting from an increase in the number of shareholders and investments.

Expense Support (Reimbursement) and Conditional Reimbursement Agreement

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). Expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support"). The Expense support amount is borne equally by the Manager and the Sub-Manager and is calculated as of the last business day of the calendar year. The Manager and Sub-Manager equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the conditional waiver amount (as defined in and subject to limitations described in the Expense Support and Conditional Reimbursement Agreement). The term of the Expense Support and Conditional Reimbursement Agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed Expense Support amounts for each share class, as applicable, subject to the conditional reimbursements as described further in the Expense Support and Conditional Reimbursement Agreement. Our obligation to make conditional reimbursements shall automatically terminate and be of no further effect three years following the date which the expense support amount was provided and to which such conditional reimbursement relates, as described further in the Expense Support and Conditional Reimbursement Agreement.

Expense support (reimbursement) totaled approximately less than $0.1 million and $(0.6) million during the years ended December 31, 2024 and 2023, respectively. The actual amount of expense support or expense support reimbursement is determined as of the last business day of each calendar year and is paid within 90 days after each year end per the terms of the Expense Support and Conditional Reimbursement Agreement described above. See Note 5. "Related Party Transactions" of Item 8. "Financial Statements and Supplementary Data" for details regarding total Expense Support received since inception included in our Annual Report on Form 10-K for the year ended December 31, 2024, which is incorporated by reference into this prospectus.

Other Expenses and Changes in Net Assets

Income Tax Expense

We incur income tax expense to the extent we have or expect to have taxable income or loss for the current year related to our Taxable Subsidiaries. During the years ended December 31, 2024 and 2023, we recorded current income tax expense of approximately $0.03 million and $0.0 million, respectively. Additionally, we recorded a provision for deferred taxes on investments of approximately $2.4 million and $3.2 million during the years ended December 31, 2024 and 2023, respectively, primarily related to unrealized appreciation on investments held by our Taxable Subsidiaries. As of December 31, 2024 and 2023, six and three of our equity investments were held in Taxable Subsidiaries, respectively. As of December 31, 2024, one of our debt investments was held in Taxable Subsidiary.

The table below presents a reconciliation of tax expense the Company would be subject to if it were taxed as a corporation to the Company's actual income tax expense incurred by its Taxable Subsidiaries for the years ended December 31, 2024 and 2023 (in

thousands):

	Years Ended December 31,			
	2024		2023	
Tax expense computed at the federal statutory rate	$ 23,555	21.0 %	$ 14,148	21.0 %
State income tax expense net of federal benefit	123	0.1	205	0.3
Benefit of partnership structure	(21,267)	(19.0)	(11,138)	(16.5)
Income tax expense	$ 2,411	2.1 %	$ 3,215	4.8 %

The effective tax rate will fluctuate from year to year as the amount of taxable income (or loss) at our Taxable Subsidiaries fluctuates in relation to the Company's net income.

Net Change in Unrealized Appreciation on Portfolio Company Investments

Unrealized appreciation on portfolio company investments is based on the current fair value of our investments as determined by our board of directors based on inputs from the Sub-Manager and our independent valuation firm and consistent with our valuation policy, which take into consideration, among other factors, actual results of our portfolio companies in comparison to budgeted results for the year, future growth prospects, and the valuations of publicly traded comparable companies as determined by our independent valuation firm.

The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on twelve portfolio companies of approximately $105.1 million, offset partially by gross unrealized depreciation on four portfolio companies of approximately $14.0 million during the twelve months ended December 31, 2024. Gross unrealized appreciation was primarily due to EBITDA growth, accretive add-on acquisitions and multiple expansion. Gross unrealized depreciation was primarily driven by EBITDA declines, multiple compression and unrealized foreign currency loss. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $2.4 million during the twelve months ended December 31, 2024.

The net change in unrealized appreciation on portfolio company investments included gross unrealized appreciation on nine portfolio companies of approximately $60.1 million, offset partially by gross unrealized depreciation on two portfolio companies of approximately $15.2 million during the twelve months ended December 31, 2023. Two portfolio company investments remained flat due to the recency of investments. Gross unrealized appreciation was primarily due to EBITDA growth and accretive add-on acquisitions. Gross unrealized depreciation was primarily driven by EBITDA declines. Additionally, deferred taxes on unrealized appreciation of portfolio company investments offset unrealized appreciation on portfolio company investments by approximately $3.2 million during the twelve months ended December 31, 2023.

Net Assets

During the years ended December 31, 2024 and 2023, the net increase in net assets consisted of the following:

	Years Ended December 31,	
	2024	2023
Operations	$ 109,756	$ 64,159
Distributions to shareholders	(37,899)	(30,063)
Capital transactions	180,002	236,154
Net increase in net assets	$ 251,859	$ 270,250

Operations increased by approximately $45.6 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. The increase in operations was primarily due to an increase of approximately $47.0 million in the net change in unrealized appreciation on investments and a decrease of approximately $1.4 million in net investment income during the year ended December 31, 2024 as compared to the year ended December 31, 2023.

Distributions increased approximately $7.8 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily as a result of an increase in shares outstanding.

Capital share transactions decreased approximately $56.2 million during the year ended December 31, 2024, as compared to the year ended December 31, 2023. The decrease was primarily due a decrease in net proceeds received through our Offerings of approximately $27.9 million and an increase of approximately $5.4 million in amounts received through our distribution reinvestment plan, which was offset partially by an increase in share repurchases of approximately $33.6 million under the Share Repurchase Program.

Total Returns

The following table illustrates year-to-date ("YTD"), trailing 36 months ("Three Year"), Average Annual Return ("AAR") and cumulative total returns with and without upfront selling commissions and dealer manager fees ("sales load"), as applicable. All total returns with sales load assume full upfront selling commissions and dealer manager fees. Total returns are calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Class FA assumes distributions are reinvested in Class A shares and all other share classes assume distributions are reinvested in the same share class. Management believes total return is a useful measure of the overall investment performance of our shares.

	YTD Total Return	Three Year Total Return[(1)]	AAR Since Inception[(2)]	Cumulative Total Return[(2)]	Cumulative Total Return Period[(2)]
Class FA (no sales load)	11.2 %	33.7 %	15.3 %	105.5 %	Feb. 7, 2018 – Dec. 31, 2024
Class FA (with sales load)	4.0 %	25.0 %	13.4 %	92.1 %	Feb. 7, 2018 – Dec. 31, 2024
Class A (no sales load)	10.2 %	29.9 %	13.3 %	89.5 %	Apr. 10, 2018 – Dec. 31, 2024
Class A (with sales load)	0.9 %	18.9 %	10.9 %	73.4 %	Apr. 10, 2018 – Dec. 31, 2024
Class I	9.9 %	29.6 %	13.5 %	91.1 %	Apr. 10, 2018 – Dec. 31, 2024
Class T (no sales load)	9.3 %	27.6 %	11.7 %	77.2 %	May. 25, 2018 – Dec. 31, 2024
Class T (with sales load)	4.1 %	21.6 %	10.4 %	68.8 %	May. 25, 2018 – Dec. 31, 2024
Class D	9.9 %	29.5 %	12.2 %	79.8 %	Jun. 26, 2018 – Dec. 31, 2024
Class S (no sales load)	11.2 %	35.5 %	15.4 %	73.5 %	Mar. 31, 2020 – Dec. 31, 2024
Class S (with sales load)	7.3 %	30.7 %	14.2 %	67.4 %	Mar. 31, 2020 – Dec. 31, 2024

FOOTNOTES:

(1) For the period from January 1, 2022 to December 31, 2024.

(2) For the period from the date the first share was issued for each respective share class to December 31, 2024. The AAR since inception is calculated by taking the Cumulative Total Return and dividing it by the cumulative total return period.

We are not aware of any material trends or uncertainties, favorable or unfavorable, that may be reasonably anticipated to have a material impact on either capital resources or the revenues or income to be derived from our investments, other than those described above and the risk factors identified in this prospectus, including the negative impacts from public health crises, natural disasters and geopolitical events.

Our shares are illiquid investments for which there currently is no secondary market. Investors should not expect to be able to resell their shares regardless of how we perform. If investors are able to sell their shares, they will likely receive less than their purchase price. Our net asset value and total returns — which are based in part upon determinations of fair value of Level 3 investments by our board of directors, not active market quotations — are inherently uncertain. Past performance is not a guarantee of future results. Current performance may be higher or lower than the performance data reported above.

Seasonality

We do not anticipate that seasonality will have a significant effect on our results of operations.

Critical Accounting Policies and Use of Estimates

See our Form 10-K for the year ended December 31, 2024 and Note 2. “Significant Accounting Policies” to the “Financial Statements” included in the company’s annual report on Form 10-K for the period ended December 31, 2024 and incorporated herein by reference for a summary of our critical accounting policies.

Hedging Activities

As of December 31, 2024, we had not entered into any derivatives or other financial instruments. With respect to any potential financings, general increases in interest rates over time may cause the interest expense associated with our borrowings to increase, and the value of our debt investments to decline. We may seek to stabilize our financing costs as well as any potential decline in our assets by entering into derivatives, swaps or other financial products in an attempt to hedge our interest rate risk. In the event we pursue any assets outside of the United States we may have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. We may in the future, enter into derivatives or other financial instruments in an attempt to hedge any such foreign currency exchange risk. It is difficult to predict the impact hedging activities may have on our results of operations

BUSINESS

Overview

CNL Strategic Capital, LLC is a limited liability company that primarily seeks to acquire and grow durable, middle-market U.S. businesses. We refer to the strategy of owning both the debt and equity of our target private companies as a "private capital" strategy. We intend to target businesses that are highly cash flow generative, with annual revenues primarily between $15 million and $250 million and whose management teams seek an ownership stake in the company. Our business strategy is to acquire controlling equity interests in combination with debt positions and in doing so, provide long-term capital appreciation and current income while protecting invested capital. We define controlling equity interests as companies in which we own more than 50% of the voting securities of such companies. This business strategy, which has been used by affiliates of the Sub-Manager over many different business cycles, will provide us with a high level of operational control and the opportunity to receive current cash income in the form of monthly coupon payments from our debt and periodic cash distributions from our equity ownership in the businesses we acquire. We believe that our business strategy also allows us to partner with management teams that are highly incentivized to support the growth and profitability of our businesses. We also expect that in the businesses in which we acquire controlling equity positions, we will be provided with direct access to the acquired business's financial information and the right to appoint a majority of the board of directors. We will use the global origination networks of the Manager and the Sub-Manager to identify potential acquisitions and management teams that embrace our transaction structure and management philosophy.

We target businesses with proven and demonstrable track records of recurring cash flow and stable and predictable operating performance, all of which is intended to produce attractive risk-adjusted returns over a long-term time horizon. We seek to structure our investment with limited, if any, third-party senior leverage. Our target businesses are expected to fall within the following industries (without limitation): business services, consumer products, education, franchising, light manufacturing / specialty engineering, non-FDA regulated healthcare and safety companies. We do not intend to acquire businesses in industries that we believe are not stable or predictable, including oil and gas, commodities, high technology, internet, and ecommerce. We also do not intend to acquire businesses that at the time of our acquisition are distressed or in the midst of a turnaround.

We believe we will have the flexibility to make acquisitions with a long-term perspective that will provide an opportunity to generate long-term capital appreciation over various economic cycles. Additionally, we believe our capital structure will provide downside protection while preserving the opportunity for long-term value appreciation through our investment in the debt position. We believe the use of limited third party leverage will prevent influence by third-party investors and/or debt providers that may have different business objectives and priorities. We believe that our long-term philosophy combined with conservative capital structure is particularly attractive to entrepreneurs and management teams and provides a more attractive solution than our competitors.

We commenced operations on February 7, 2018. As of March 28, 2025, we had 34,332,675 shares outstanding which consist of 4,017,056 Class FA shares, 8,336,711 Class A shares, 2,517,732 Class T shares, 3,104,775 Class D shares 14,644,356 Class I shares and 1,712,045 Class S shares. As of December 31, 2024, we had invested in sixteen businesses, consisting of a fair value of approximately $848.6 million of equity investments and approximately $292.3 million of debt investments. For a discussion of our businesses, see "Our Portfolio."

The Manager and the Sub-Manager

We are managed by the Manager under the Management Agreement, pursuant to which the Manager is responsible for the overall management of our activities. The Manager is registered as an investment adviser under the Advisers Act. The Manager is controlled by CFG, an investment management firm specializing in alternative investment products. Anchored by over 50 years of investing in relationships, CFG or its affiliates have formed or acquired companies with more than $36 billion in assets.

The Manager has engaged the Sub-Manager under the Sub-Management Agreement, pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is registered as an investment adviser under the Advisers Act. The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisition and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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 Sub-Manager is an affiliate of LLCP. LLCP is an independent private investment firm that has made private capital investments in middle-market companies located primarily in the United States for 40 years. Since its inception in 1984 through December 31, 2024, LLCP has managed approximately $16.4 billion of capital and currently manages approximately $10.2 billion of assets. Established in Los Angeles in 1984 by Arthur Levine and Lauren Leichtman, LLCP has expanded geographically

with additional offices in New York, Chicago, and Miami in the U.S. and London, Amsterdam, Stockholm, and Frankfurt in Europe. LLCP has an experienced leadership team comprised of ten senior professionals who have worked at LLCP for an average of 20 years. LLCP currently has over 83 employees, including over 47 dedicated investment professionals.

Our acquisition process is a collaborative effort between the Manager and the Sub-Manager, and we believe we will benefit from their combined business and industry-specific knowledge and experience in the middle-market and the Sub-Manager's transaction expertise and acquisition capabilities. To facilitate communication and coordination, the Manager and the Sub-Manager hold, and intend to continue to hold, regular meetings to plan and discuss our business strategy, potential acquisition and financing opportunities, current market developments and strategic goals. Through the Sub-Manager, we believe that we will benefit from LLCP's experience and expertise in acquiring U.S. middle-market businesses and that the Manager and the Sub-Manager will provide us with substantial market insight and valuable access to acquisition and financing opportunities.

The Manager also provides us with certain administrative services under the Administrative Services Agreement with us. The Sub-Manager will also provide certain other administrative services to us under the Sub-Administration Agreement with the Manager.

Business Strategy

Our business strategy seeks to provide current income and long-term appreciation, while protecting invested capital through our ownership of durable and growing, middle-market businesses. We intend to acquire controlling equity interests in combination with debt positions (typically in the form of senior or subordinated notes) in such businesses which will become our majority owned subsidiaries and provide us with current interest income from our debt positions and cash distributions from our equity ownership. We define controlling equity interests as companies in which we own more than 50% of the voting securities of such companies. We believe that this flexibility will help us competitively bid for businesses by providing certainty of funding to meet the comprehensive capital needs of such businesses, without depending on third-party financing sources and prevailing market conditions. Our target businesses are highly durable companies that can generate consistent cash flow and can continue to grow over time and through various economic cycles. We plan to manage and grow the businesses we acquire to create value over a long-term time horizon. We intend for our acquisitions of long-term controlling equity interests in combination with debt positions in the businesses we acquire to comprise a significant majority of our total assets. It is not our current intention to merge with or into these businesses. Further, we have no current intention of engaging in a strategic merger or acquisition.

In addition, and to a lesser extent, we may acquire other debt and minority equity positions. We intend to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments of U.S. and, to a lesser extent, non-U.S. corporations, partnerships, limited liability companies and other business entities. Such debt investments may, in some cases, be accompanied by warrants, options or other forms of equity participation. We may also acquire minority equity interests as a standalone investment or as a co-investment in combination with other funds and partnerships managed by LLCP or its affiliates. We expect that these positions will comprise a minority of our total assets.

Our policy is to acquire middle-market businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. Actual holding periods for many of our businesses are expected to exceed this minimum holding period, but each business will be acquired with the expectation of an eventual exit transaction after a reasonable time frame to allow for the realization of shareholder appreciation. In limited circumstances in order to manage liquidity needs, meet other operating objectives or adapt to changing market conditions, we may also exit businesses prior to the expected minimum holding period. Exit decisions in relation to our businesses after the expiration of the minimum holding period will be made with the objective of maximizing shareholder value and allowing us to realize capital appreciation to the extent available from individual businesses. We will also assess the impact that any exit decision may have on our exclusion from registration as an investment company under the Investment Company Act. See "Risk Factors—Risks Related to Our Organization and Structure—Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act." Potential exit transactions that we may pursue for our businesses include recapitalizations, public offerings, asset sales, mergers and other business combinations. In each case, in selecting the form of exit transaction we expect to assess prevailing market conditions, the timing and cost of implementation, whether we will be required to assume any post-transaction liabilities and other factors determined by the Manager and the Sub-Manager. No assurance can be given relating to the actual timing or impact of any exit transaction on our business.

Business Approach

Our business approach is summarized below:

- *Focus on Durable and Growing Middle-Market Businesses*. We intend to acquire businesses with established market positions, experienced management teams and a proven ability to grow through different market cycles, including, without limitation, providers of business services, consumer products, education, franchising, light manufacturing / specialty engineering, and non-FDA regulated healthcare companies. For example, the LLCP

Senior Executives have acquired businesses in the following industries: healthcare products and services, education, safety companies, restaurants, manufacturing, consumer products, franchising and aerospace. We do not intend to acquire businesses in industries that we believe are not stable or predictable, including, but not limited to, oil and gas, commodities, start-ups, high technology, internet and e-commerce. We do not intend to acquire businesses that at the time of our acquisition are distressed or in the midst of a turnaround.

- *Capitalize on Extensive Sourcing Network*. We intend to leverage the Sub-Manager's extensive network for acquisition and financing opportunities. In 2024, the Sub-Manager or its affiliates received approximately 4,000 investment referrals and formally reviewed approximately 1,500 potential acquisition and/or financing opportunities resulting in 7 platform and 36 add-on investments. The Originations team is actively in the market at all times and meets weekly to coordinate deal sourcing activities and review new acquisition and financing opportunities. We intend to additionally leverage the Manager's extensive network.

- *Long-term Value Creation Through Tailored Acquisitions*. We intend to employ a consistent strategy that can be tailored to the capital structure required to meet the needs of entrepreneurial management teams who require a long-term strategic solution. We will seek to partner with management teams that seek an equity ownership stake in their businesses and therefore be highly incentivized to support the growth and profitability of our businesses. We believe our capital and the sophisticated financial and strategic advice that the Manager and the Sub-Manager are able to provide to our businesses will provide the opportunity for long-term value creation.

- *Create Current Income*. In connection with our acquisitions, we intend to also provide debt financing typically in the form of senior or subordinated notes from which we expect to receive current interest income. We expect to provide financing at annual interest rates between 13% and 16%. The high free cash flow nature of the businesses that we seek to acquire affords them the ability to make interest payments without impeding the business. Additionally, the businesses typically generate enough excess cash to make periodic distributions to shareholders. We believe that this structure will provide income for regular distributions to our shareholders.

- *Mitigate Risk Through Less Third-Party Leverage*. We intend to create what we believe to be a capital structure that mitigates downside risk by using modest, if any, third party leverage on the businesses we acquire. We expect to provide the businesses we acquire with a portion of the debt they need, resulting in companies with less external third-party debt. By doing so, we expect to secure a stream of income that can provide for distributions to our shareholders as well as prevent influence by third-party investors and/or debt providers that may have different business objectives and priorities.

- *Rely on the Skills and Experience of the Manager and the Sub-Manager to Provide Value-Added Expertise*. The respective affiliates of the Manager and the Sub-Manager have significant experience in acquiring, managing and financing middle-market companies. Through the Manager and the Sub-Manager, we intend to add value to the businesses we acquire by offering sophisticated financial and strategic advice while respecting the management team's operating autonomy. The Sub-Manager intends to meet regularly with senior management of the businesses we acquire in an operating committee format to discuss a business's strategic, financial and operating performance. The Manager and the Sub-Manager intend to assist the senior management of our businesses in several areas including the following:

  - strategic direction and planning,
  - introductions to acquisition opportunities and new business contacts,
  - follow-on growth and acquisition capital and financing,
  - capital market strategies, and
  - optimization of working capital.

  In addition, we believe that the Manager's and the Sub-Manager's proactive assistance to the businesses we acquire will help us mitigate risks and will create value for our shareholders.

Acquisition Approach

We intend to acquire controlling equity interests in combination with debt positions in durable and growing, middle-market U.S. companies. We believe that this business strategy will allow us the opportunity for long-term growth and the receipt of current cash income in the form of monthly coupon payments from our debt and periodic cash distributions from our equity

ownership in the businesses we acquire. We will primarily seek to acquire controlling positions by owning more than 50% of the voting securities in businesses that will become our majority-owned subsidiaries. We expect to invest side-by-side with the management teams of the acquired businesses, resulting in the management teams' ownership accounting for a meaningful portion of the remaining equity in the business and representing a large percentage of their overall net worth. Accordingly, we believe that the management teams' incentive towards long-term growth will align with our business strategy. We also expect that our controlling equity positions in the businesses we acquire will provide us with direct access to each acquired business' financial information and the right to appoint a majority of the board of directors of each business we acquire.

We intend to manage and grow our businesses with a long-term perspective. Our policy is to acquire middle-market businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. We will seek to acquire businesses that are highly durable and yet capable of attractive long-term growth rates with dedicated management teams that have a desire to retain a meaningful equity stake in the company. We intend to own the businesses with a long-term philosophy. In addition, we believe that we can use the LLCP Senior Executives' years of experience in owning businesses and the Manager's and the Sub-Manager's extensive networks to supplement the efforts of highly capable management teams in order to manage their businesses efficiently and identify and execute on growth initiatives for such businesses.

We intend to acquire businesses that will produce stable and growing cash flows through a differentiated and time-tested acquisition strategy.

- *Differentiated Acquisition Strategy*. We believe that our acquisition strategy is differentiated from others as we intend to acquire control of businesses with a long-term time horizon in combination with debt positions. We believe that shareholders will benefit from a risk mitigating capital structure and current income in the form of interest income from our debt positions and cash distributions from our equity ownership. We believe that this acquisition approach is particularly attractive to business-owners and management teams who are seeking less dilutive forms of capital.

- *Control of Capital Structure*. By acquiring controlling equity interests in combination with debt positions (typically in the form of senior or subordinated notes) in the businesses we acquire, we expect to have a greater degree of control over the capital structure of a business. We expect that this will prevent influence by third-party investors and/or debt providers that may have different business objectives and priorities. We expect that this approach will mitigate downside risk and provide significant protection to us and our shareholders.

- *Transactions at Lower Leverage Multiples*. We intend to use modest leverage on our businesses, and limited, if any, third party leverage. We will tailor the mix of equity and debt used in a transaction based on a conservative assumption of the leverage capacity of the underlying business we acquire. If we choose to use third party financing, we expect at relatively low leverage multiples (typically less than 3.0x debt to EBITDA) at the time of investment.

- *Strong Current Income*. We intend to provide long-term strategic solutions to our businesses and expect to receive current income in the form of interest income from our debt positions and cash distributions from our equity ownership in the businesses we acquire. We believe that the combination of interest income and cash distributions will result in the return of a substantial amount of our invested capital in the years following the initial acquisition of a business. In addition, the receipt of current income not only reduces risk but allows us to hold companies for the long term, thereby reducing the dependence on an exit event for a return of capital.

- *Targeting the Largest and Fastest Growing Segment of the U.S. Economy.* We intend to acquire durable and growing middle-market businesses primarily located in the United States. We seek to acquire businesses that are highly cash flow generative with annual revenues primarily between $15 million and $250 million. This is a target rich environment. According to Hoover's, as of March 31, 2025 there were over 70,000 middle-market companies in the United States in our target range.

Other Business Activities

We intend for a significant majority of our total assets to be comprised of long-term controlling equity interests and debt positions in the businesses we acquire. In addition, and to a lesser extent, we may acquire other debt and minority equity positions. We intend to acquire, directly or through syndication, various types of debt including secured and senior unsecured debt, notes and other instruments of U.S. and, to a lesser extent, non-U.S. corporations, partnerships, limited liability companies and other business entities. Such debt investments may, in some cases, be accompanied by warrants, options or other forms of equity participation. We may also acquire minority equity interests as a standalone investment or as a co-investment in combination

with other funds and partnerships managed by LLCP or its affiliates. We expect that these positions will comprise a minority of our total assets.

Market Opportunity

We will seek to acquire and actively manage middle-market businesses. We characterize middle-market businesses as those with annual revenues of primarily between $15 million and $250 million. We believe that the merger and acquisition market for middle-market businesses is highly fragmented and provides opportunities to purchase businesses at attractive prices. We believe that the following factors contribute to the opportunities to acquire middle-market businesses:

- target rich environment with more than 70,000 middle-market companies in the U.S. today within our target range of companies with annual revenues primarily between $15 million and $250 million as of March 31, 2025;
- there are fewer potential acquirers for these businesses compared to other market segments; and
- sellers of these businesses frequently consider non-economic factors, such as operational autonomy, continuing board membership or the effect of the sale on their employees.

The Sub-Manager believes that lower middle-market and small-cap companies' access to institutional capital has always been well below that of the upper middle market, and even more so following the Great Recession of 2008. The Sub-Manager believes that many traditional providers of privately placed debt and equity capital to lower middle market companies moved up-market following the Great Recession in search of increased liquidity and less perceived risk.

Furthermore, the Sub-Manager believes increases in average fund size, even within the broadly defined U.S. middle market, have accelerated these trends as multi-billion-dollar funds typically target larger investment opportunities.

The Sub-Manager believes there are very few U.S. private equity firms offering creative and flexible capital solutions to lower middle market and small cap companies. The Sub-Manager's private capital strategy seeks to provide lower middle market and small cap companies with much needed capital that is less dilutive to entrepreneurial management teams, allowing them to retain operating autonomy, and encouraging them to work collaboratively with the Sub-Manager. This investment strategy further mitigates risk by significantly reducing third-party leverage on businesses relative to traditional private equity approaches. Moreover, the Sub-Manager's strategy provides its management teams the opportunity to invest alongside the Sub-Manager, including in the debt security, which pays monthly cash distributions from the outset of the investment.

The Sub-Manager is not aware of any U.S. private equity firm that has successfully executed this investment strategy on any significant scale. Of those U.S. private equity firms providing capital to lower middle-market companies, we believe most are focused on traditional LBO, mezzanine or private credit transactions, which are often not the best solutions for sellers. The Sub-Manager expects to take advantage of this mismatch by providing flexible capital and by further educating U.S. lower middle market entrepreneurs and deal sourcing intermediaries of its compelling alternative.

Potential Competitive Strengths

We believe an investment in our company represents an attractive opportunity for the following reasons:

- *Track Record*. We believe that our ability to leverage the LLCP platform and the knowledge and experience that LLCP's professionals have garnered in acquiring and growing businesses over many different business cycles will benefit the Sub-Manager's sourcing of attractive acquisition opportunities for us.
- *Differentiated Acquisition Strategy that is Attractive to Business Owners*. For 40 years, LLCP has applied its acquisition strategy of acquiring entrepreneurially led middle-market companies primarily located in the United States. The Sub-Manager's acquisition strategy is differentiated from others as it typically acquires controlling equity interests in combination with debt positions (typically in the form of senior or subordinated notes) in the businesses it acquires. We expect that our acquisition and financing activities will generate current income in the form of interest income and cash distributions, allowing us to pay current distributions to our shareholders. We believe that our shareholders will benefit from a capital structure with substantial equity participation and current cash income. Additionally, we believe our acquisition strategy will provide downside protection while preserving the opportunity for long-term value appreciation. Finally, we believe that our acquisition approach is particularly attractive to entrepreneurs and management teams who prefer capital structures with less third-party leverage.

- *Partnering with Strong Management Teams*. By targeting transactions in which we encourage entrepreneurs and management teams to retain, or increase, their equity ownership in the business, we believe we offer an attractive partnership with the Manager and the Sub-Manager as partners and financial sponsors. Because we expect that the management teams' investment will account for much of the remaining equity in the business and represent a large percentage of their overall net worth, we believe that the management teams' incentive towards long-term growth will align with our business strategy.

- *Proactive Generation of Proprietary Opportunities*. The Sub-Manager has a dedicated group of professionals that focus on originating new acquisition opportunities for us (the "Originations team"). Located in Los Angeles, Chicago, New York, Charlotte, and London, the members of the Originations team have spent the majority of their careers in the middle-market and have developed a vast network that have generated proprietary acquisition and financing opportunities. In 2024, the Sub-Manager or its affiliates received approximately 4,000 investment referrals and formally reviewed approximately 1,500 potential acquisition and/or financing opportunities resulting in 7 platform and 36 add-on investments. The Originations team is actively in the market at all times and meets weekly to coordinate deal sourcing activities and review new acquisition and financing opportunities. As a result of significant awareness of the Sub-Manager's brand and acquisition approach, we expect that many of our acquisitions will likely be sourced through proprietary channels.

- *Established Middle-Market Presence*. The LLCP Senior Executives have gained extensive middle-market knowledge and acquisition experience during LLCP's 40-year history, respectively. We believe that successful acquisitions in the middle-market require specialized knowledge, geographic presence and investment experience. We believe that the middle-market knowledge and geographic presence of the Manager and the Sub-Manager will allow us to (i) quickly identify and capture acquisition opportunities, (ii) rapidly respond to the needs of our businesses and (iii) properly evaluate and diligence new acquisition opportunities.

- *Experience Acquiring and Managing Middle-Market Companies*. Our acquisition activities will be overseen and approved by the Sub-Manager subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors. The Sub-Manager's executive team consists of the LLCP Senior Executives. These executives bring significant experience acquiring and managing middle-market companies, stability and cohesiveness to our management. The Manager's management committee consists of Chirag J. Bhavsar, Tammy J. Tipton, and Paul W. Drury.

- *A Cohesive Team of Professionals*. The Sub-Manager has an experienced and cohesive team of more than 70 transactional and supporting professionals who have successfully acquired and managed middle-market companies through all economic cycles.

- The LLCP Senior Executives in addition to three key investment team members comprise the Sub-Manager's management committee which approves all acquisition, financing and exit decisions. The Sub-Manager's management team is organized into three groups:

    - the Originations team, which sources and evaluates new acquisition opportunities;

    - the Corporate Finance group, which structures, actively monitors and exits positions in the businesses we acquire; and

    - the administration and compliance group, which manages partner relationships and oversees the day-to-day operations.

  This organizational structure enables the Sub-Manager to maximize each professional's skill set and creates internal accountability among the management team. Additionally, this approach allows the Originations team to be actively in the market at all times and permits the monitoring group to focus primarily on post-acquisition activities.

- *Tiered Transaction Review Process*. By utilizing personnel of both the Manager and the Sub-Manager we believe our process of sourcing and evaluating acquisition opportunities will result in greater selectivity in our transaction process. All recommendations from the Sub-Manager's Originations team must be approved by the Sub-Manager's investment committee prior to the Sub-Manager's recommendation of the transaction to the Manager's management committee. The acquisition will then be subject to approval by the Manager's management committee that the acquisition opportunity meets our investment objections and final approval by our board of directors.

- *Role as an Active Partner*. The Manager and the Sub-Manager intend to be actively involved with the businesses we acquire. They expect to add value to the existing management teams of our businesses by offering sophisticated financial and strategic advice while respecting their operating autonomy. The Manager and the Sub-Manager intend to monitor the critical success factors of our businesses and meet regularly with senior management to discuss the respective business' strategic, financial and operating performance. They intend to contribute to the success of the businesses we acquire and assist senior management of these businesses in the following areas:

  - strategic direction and planning,
  - introductions to acquisition opportunities and new business contacts,
  - follow-on growth and acquisition capital and financing,
  - capital market strategies, and
  - optimization of working capital.

  The Manager and the Sub-Manager intend to proactively assist our businesses, which the Manager and the Sub-Manager believe will protect our interests, while creating value for our shareholders.

- *Long-Term Time Horizon*. We believe we have the flexibility to make acquisitions with a long-term perspective that will provide us with the opportunity to generate long-term appreciation and to provide a more attractive solution for business owners. Our policy is to acquire middle market businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. Actual holding periods for many of our businesses are expected to exceed this minimum holding period, but each business will be acquired with the expectation of an eventual exit transaction after a reasonable time frame to allow for the realization of shareholder appreciation. We believe that the long-term nature of our capital will help us avoid the need to exit the businesses we acquire at inopportune times and will make us a better partner for the business.

Acquisition Process

Our acquisition process is focused on prudently selecting businesses through a rigorous sourcing and due diligence process and then actively managing and monitoring these businesses. The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisition and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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. Our board of directors shall have the right to approve the acquisition of each of the company's investments.

Acquisition Criteria

We believe that successful acquisitions in the middle-market require specialized knowledge, geographic presence and experience. Middle-market knowledge and geographic presence allow the Manager and the Sub-Manager to (i) quickly identify and capture acquisition opportunities and (ii) rapidly respond to the needs of our businesses. Furthermore, we believe that the Sub-Manager and its affiliates have developed an acquisition strategy that meets the growing business and operational needs of middle-market companies and that the middle market has come to recognize the benefits of the Sub-Manager's approach.

We have developed disciplined criteria for selecting quality businesses to acquire.

- *Focus on Middle-Market Businesses*. We intend to focus exclusively on durable and growing middle-market businesses located primarily in the United States. We believe the middle market, which we define as businesses with annual revenues of primarily between $15 million to $250 million, is the fastest growing segment of the economy. Middle-market businesses have experienced a significant gap between the capital and financing needed and the capital and financing available.

- *Strong Entrepreneurial Management with a Significant Equity Stake*. We intend to look for management teams of the businesses that we acquire to have an articulated vision, proven leadership abilities and a desire to maintain or increase an equity ownership stake in the businesses after we acquire them. The senior management of our businesses may maintain an ownership interest in the business of up to 49%.

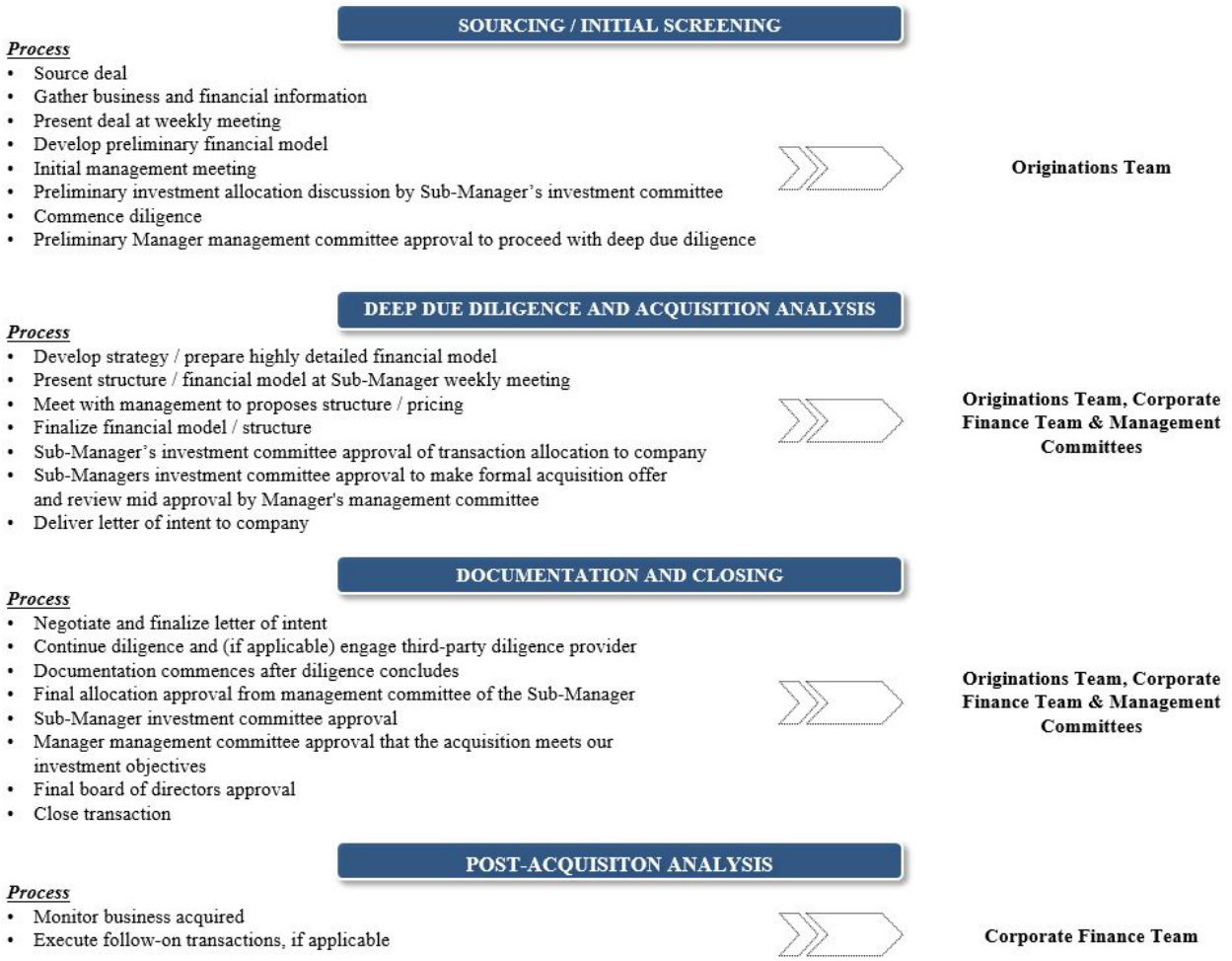
- *Businesses with Proven Historical Performance*. We will seek to acquire companies that have a strategic plan that capitalizes on growth opportunities, can generate stable and predictable cash flow, which we expect to provide current cash income while mitigating downside risk, demonstrated by a track record spanning multiple market cycles. We believe that companies that are stable and predictable include, without limitation, providers of well-established consumer products, business services, education and light manufacturing companies. For example, the LLCP Senior Executives have acquired businesses in the following industries: healthcare products and services, education, safety companies, restaurants, manufacturing, consumer products, franchising and aerospace. The Manager and the Sub-Manager will seek to identify businesses to acquire with financial models that objectively and subjectively demonstrate an expected growth rate that is achievable within seven years. We do not intend to acquire companies in industries that we believe are not stable or predictable, including, but not limited to, oil and gas, commodities, start-ups, high technology, internet and ecommerce.

- *Sustainable Capital Structure*. A potential target business' proposed capital structure must be sufficient to meet its fixed obligations and provide flexibility for raising capital to support future growth without becoming excessively levered.

- *Market-Leading Businesses*. We will seek to acquire market-leading businesses that exhibit objective market dominance and market acceptance. We believe that these businesses will provide predictable and stable growth that we expect to lead to significant downside protection to us and our shareholders.

Acquisition Approval and Allocation Process

As illustrated in the chart below, our acquisition process is focused on prudently selecting businesses through a rigorous sourcing and due diligence process and then actively managing and monitoring these businesses.



Sourcing and Initial Screening

Once a potential acquisition has been identified, the members of the Originations team working on the transaction will gather initial business and financial information regarding an opportunity and develop a preliminary financial model for review at the team's weekly meeting. After initial review by the Originations team, the Sub-Manager's management committee will make a preliminary determination of whether to proceed with a more comprehensive due diligence review. Upon preliminary approval by the Sub-Manager's investment committee, the Sub-Manager will present the opportunity to the Manager for determination that the opportunity meets our investment objective. Once the Manager's management committee gives or is deemed to have given preliminary approval for the Originations team to move forward, the acquisition and financing team meets weekly to evaluate the due diligence process.

The Sub-Manager has developed specific, detailed criteria that are used at this step in the process to review potential acquisition opportunities for us. The Sub-Manager intends to analyze a business both from the "top-down" and the "bottom-up." The top-down analysis involves a macroeconomic analysis of relative asset valuations, long-term industry trends, business cycles and technical factors to target specific industry sectors and asset classes. The bottom-up analysis includes a rigorous analysis of the businesses' fundamentals and capital structure of each business considered for acquisition and a thorough review of the impact of market and industry trends on a potential acquisition.

Due Diligence and Acquisition Analysis

After preliminary approval, the Sub-Manager intends to perform extensive due diligence focused on understanding the critical success factors and major risks associated with the opportunity. In doing so, the Sub-Manager intends to evaluate the operations of the target business as well as the outlook for the industry in which the target business operates. During the course of the due diligence review, the Sub-Manager's management committee will meet with the members of the Corporate Finance and Originations teams conducting the review to evaluate the results and make recommendations on the process.

Factors evaluated by the Sub-Manager include but are not limited to:

- Detailed analysis of management which may include on-site interviews, management strengths and capabilities, corporate questionnaires and background checks;
- Extensive reference checks of board members, customers, suppliers and service providers;
- Critical success factors analysis including developing operating metrics to measure performance;
- Due diligence of financial statements, conditions and prospects, including analysis and review of historical revenues, margins and earnings, working capital, capital spending requirements, projections and related sensitivities;
- Market analysis including competition, positioning, trends and opportunities and, if necessary, consultation with industry experts or operating executives with relevant expertise; and
- Legal due diligence including contract review, litigation, employment matters, insurance and environmental reviews.

A critical component of the evaluation of potential target businesses is the Sub-Manager's assessment of the capability of the existing management team along with the financial and operational information systems. In businesses where these areas need improvement, ownership of a controlling interest in the business is an important factor in implementing necessary changes. When applicable, the Sub-Manager may engage third party due diligence providers.

In addition to due diligence, we believe that appropriately structuring a transaction is a critical factor in producing successful outcomes. Accordingly, we intend to consider a wide range of structures and seek to negotiate terms that provide opportunities for risk mitigation while still addressing the financing and business needs of the prospective target business. Relevant transaction features may include the percentage of equity retained by the business' management, seniority of debt, collateral packages, frequency of interest payments, redemption features, maturity dates, covenants, default penalties and lien protection, among other items specific to the specific transaction. We expect to have the flexibility to acquire a controlling interest in a business while having the ability to provide financing at any level of the capital structure. We believe that this flexibility will help us close transactions by providing certainty of funding to meet a company's comprehensive capital needs.

The Sub-Manager's management committee, Originations and Corporate Finance teams seek to structure each transaction in a manner that manages risks while creating incentives for the target business to achieve its business plan and improve profitability. We intend to acquire controlling equity interests in combination with debt positions (typically in the form of senior or subordinated notes) in durable and growing, middle-market U.S. companies. To the extent we use any third-party financing, we expect to at low leverage multiples targeting approximately 3.0x debt to Adjusted EBITDA.

We intend to structure our acquisitions to align our interests with those of the operating management through (i) understanding and supporting management's overall strategic vision and objectives and (ii) ensuring that management shares meaningfully in the future equity value by minimizing ownership dilution.

Final Review and Approval

In connection with the Sub-Manager's Originations team's due diligence review and acquisition analysis and structuring, the Corporate Finance team will prepare a highly detailed financial model along with a preliminary structure for the acquisition. The Corporate Finance team then presents the final financial model and proposed acquisition structure to the Sub-Manager's management committee for its preliminary approval. Upon the approval of the Sub-Manager's management committee, the Sub-Manager's management committee then presents the final financial model and proposed acquisition structure to the Manager's management committee for its approval that the acquisition meets our investment objectives. Upon the approval of the Manager's management committee's preliminary approval, the Originations team will deliver a letter of intent to the target business.

Once the Corporate Finance team has completed their due diligence review, the members assigned to the transaction will draft an evaluation presentation that is submitted to the Sub-Manager's management committee for approval.

The evaluation presentation may include the following:

- The target company's history and overview;
- Overview of the potential transaction structure, strengths and risks, expected returns;
- Analysis of the target company's business strategy and key management personnel;
- Review of key relationships (customers, suppliers, contacts, etc.);
- Analysis of working capital, historical financials and projections; and
- Background checks and compliance analysis findings.

Any acquisition or financing transaction must be approved by an affirmative vote from the majority of members of the Sub-Manager's management committee and the Manager's management committee that such opportunity meets our investment objectives. All acquisitions of a business and material financing transactions shall be approved by a majority of our board of directors, including a majority of our independent directors.

The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine that an opportunity is more appropriate for another client managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. In certain cases, the Sub-Manager, subject to approval by the Manager that the opportunity meets our investment objectives and final approval of such opportunity by our board of directors, may determine it is appropriate for us to participate in an acquisition opportunity alongside one or more other clients managed by the Sub-Manager or any of its affiliates. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. To the extent the Sub-Manager identifies such co-opportunities, the Sub-Manager has developed an allocation policy that covers both co-investment and sole investment opportunities to ensure that we are treated fairly and equitably. The Sub-Manager and its affiliates will utilize this allocation policy to determine how to allocate opportunities that may be appropriate for us or other of the Sub-Manager's or its affiliates' clients. As part of this policy, the Sub-Manager will consider a variety of factors in making allocation decisions, including a client's stated investment objectives, scope, criteria, guidelines, business strategy and available capital. As a result, the Sub-Manager and its affiliates may determine, in its discretion, that it is appropriate to allocate opportunities to other clients in whole or in part as co-opportunities. Our board of directors has adopted its own allocation policy, which incorporates the Sub-Manager's allocation policy by reference. The independent directors of our board of directors will be responsible for oversight of the allocation process. However, there can be no assurance that acquisition opportunities will be allocated to us fairly or equitably in the short-term or over time. See "Conflicts of Interest and Certain Relationships and Related Party Transactions."

Management of our Underlying Businesses

The Sub-Manager's Corporate Finance and administration and compliance groups oversee and manage our underlying businesses. The Corporate Finance and the administration and compliance group of the Sub-Manager are experienced teams of more than 70 professionals, which have successfully operated through all economic cycles. In addition, the LLCP Senior Executives comprise the Sub-Manager's management committee, which approves all acquisition and exit decisions. The Sub-Manager's management committee brings significant investment experience, stability and cohesiveness to the management of our businesses.

The Sub-Manager intends to be integrally involved with our businesses from the initial acquisition. The Sub-Manager's Corporate Finance team employs a "hands on" approach to our day-to-day management with regular reporting and constant communication with the management teams of our businesses and the Manager's management committee.

The Sub-Manager intends to add value to the existing management team of our businesses by offering financial and strategic advice while respecting their operating autonomy. The Sub-Manager intends to contribute to the success of the businesses we acquire and assist senior management in the following areas:

- strategic direction and planning,
- introduction to acquisition opportunities and new business contacts,
- follow-on growth and acquisition capital and financing,
- capital market strategies, and
- optimization of working capital.

The Manager and the Sub-Manager intend to proactively assist the existing management teams, which the Manager and the Sub-Manager believe will protect our interests, while creating value for our shareholders. The Sub-Manager intends to monitor the critical success factors of the businesses we acquire on a regular basis and meet regularly with senior management. The Sub-Manager intends to hold weekly operating and financial reporting meetings, weekly meetings with its management committee and regular meetings with the management teams of the businesses we acquire. We expect that the standard analysis will include industry and company reports, quarterly operating results, updates to financial models and projections, internal audits and testing compliance, among others. Should any performance issues arise, the Sub-Manager intends to develop an action plan in conjunction with the Manager.

Exit Strategy

Our policy is to acquire middle-market businesses with the expectation of operating these businesses over a long-term basis that for us will involve a minimum holding period of four to six years. Actual holding periods for many of our businesses are expected to exceed this minimum holding period, but each business will be acquired with the expectation of an eventual exit transaction after a reasonable time frame to allow for the realization of shareholder appreciation. In limited circumstances in order to manage liquidity needs, meet other operating objectives or adapt to changing market conditions, we may also exit businesses prior to the expected minimum holding period. Exit decisions in relation to our businesses after the expiration of the minimum holding period will be made with the objective of maximizing shareholder value and allowing us to realize capital appreciation to the extent available from individual businesses. We will also assess the impact that any exit decision may have on our exclusion from registration as an investment company under the Investment Company Act. See "Risk Factors-Risks Related to Our Organization and Structure—Your investment return may be reduced if we are required to register as an investment company under the Investment Company Act." Potential exit transactions that we may pursue for our businesses include recapitalizations, public offerings, asset sales, mergers and other business combinations. In each case, in selecting the form of exit transaction we expect to assess prevailing market conditions, the timing and cost of implementation, whether we will be required to assume any post-transaction liabilities and other factors determined by the Manager and the Sub-Manager. No assurance can be given relating to the actual timing or impact of any exit transaction on our business.

Competition

We compete for acquisitions with strategic buyers, private equity funds and diversified holding companies. Additionally, we may compete for loans with traditional financial services companies such as commercial banks. Certain competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us, and others may have higher risk tolerances or different risk assessments. We believe we are able to be competitive with these entities primarily due to our focus on established middle-market companies, the ability of the Manager and the Sub-Manager to source proprietary transactions, and our unique business strategy that offers business owners a flexible capital structure and is a more attractive alternative when they require investment capital to meet their ongoing business needs. Further, we believe recent regulatory changes, including the adoption of the Dodd-Frank Act and the introduction of the international capital and liquidity requirements under the Basel III Accords, or "Basel III," have caused our potential competitors to curtail their lending to middle-market companies as a result of the greater regulatory risk and expense involved in lending to the sector.

Offices

Our principal executive offices are located at 450 S. Orange Ave., Suite 1400, Orlando, FL 32801. Our current facilities are adequate for our present and future operations, although we may add regional offices or relocate our headquarters, depending upon our future operations.

Legal Proceedings

There is no action, suit or proceeding pending before any court, or, to our knowledge, threatened by any regulatory agency or other third party, against the Manager, the Sub-Manager or the Managing Dealer that would have a material adverse effect on us.

From time to time, we and individuals employed by us may be party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our businesses. In addition, our business and the businesses of the Manager, the Sub-Manager and the Managing Dealer are subject to extensive regulation, which may result in regulatory proceedings. Legal proceedings, lawsuits, claims and regulatory proceedings are subject to many uncertainties and their ultimate outcomes are not predictable with assurance.

OUR PORTFOLIO

We have investments in the following sixteen portfolio companies. The financial information in this section is unaudited.

Lawn Doctor

Overview. On October 20, 2017, we entered into a merger agreement with LD Merger Sub, Inc., our wholly owned subsidiary, and LD Parent, Inc., the parent company of Lawn Doctor. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Lawn Doctor through an approximately $45.5 million investment consisting of approximately $30.5 million of common equity and an approximately $15.0 million debt investment in the form of a secured second lien note that we made to Lawn Doctor. After the closing of the merger, the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions" and subsequent purchases of common equity in Lawn Doctor by certain members of Lawn Doctor's senior management team, we own approximately 61% of the outstanding equity in Lawn Doctor, with the remaining equity owned primarily by Lawn Doctor's senior management team. Lawn Doctor was purchased on December 22, 2011 by Levine Leichtman Capital Partners SBIC Fund, L.P. (the "SBIC Fund"), which is managed by an affiliate of the Sub-Manager. On June 30, 2023, we made an additional senior debt investment in Lawn Doctor of approximately $29.5 million. The senior debt accrues interest at a variable rate, and will mature on August 6, 2029.

Company Overview. Established in 1967, Lawn Doctor is a franchisor of residential lawn care programs and services. Lawn Doctor's core service offerings provide residential homeowners with year-round monitoring and treatment by focusing on weed and insect control, seeding, and professionally and consistently-administered fertilization, using its proprietary line of equipment. Lawn Doctor's franchised business model has consistently been ranked as a Top 500 Franchise Opportunity by Entrepreneur Magazine for 40 years. Lawn Doctor's corporate headquarters are in Holmdel, New Jersey, and it leases a manufacturing site in Marlboro, New Jersey.

Investment Highlights. During our ownership, Lawn Doctor has acquired other home services franchise brands including Mosquito Hunters, Ecomaids and Elite Window Cleaning which are described below. Lawn Doctor and its family of franchise brands operates a nationwide network of over 800 independently owned franchise units across the country as of December 31, 2024. Lawn Doctor benefits from a scalable business model, which does not require significant capital expenditures or additional fixed costs to support future growth. The total revenue for the trailing twelve months ended December 31, 2024 was approximately $45.3 million. From 2009 to the trailing twelve months ended December 31, 2024, Lawn Doctor's total revenue has grown at compound annual growth rate of approximately 10.6%. Total Lawn Doctor system wide sales (revenue generated at the franchisee level) for the trailing twelve months ended December 31, 2024 was approximately $230 million.

Growth Opportunities. In addition to Lawn Doctor's continued organic growth, we believe the strategic acquisition of other home services franchised brands including those listed below contribute to increased enterprise value in Lawn Doctor:

- In May 2018, Lawn Doctor acquired an 80% equity interest in Mosquito Hunters, a franchisor of mosquito and pest control services. Mosquito Hunters was founded in 2013, is based in Northbrook Illinois and specializes in the eradication of mosquitos through regular spraying applications and follow-up maintenance.
- In May 2019, Lawn Doctor acquired a 71% equity interest in Ecomaids, a franchisor of residential cleaning services. Ecomaids was founded in 2012. Ecomaids specializes in home cleaning services utilizing environmentally-friendly cleaning products and solutions.
- In October 2022, Lawn Doctor acquired a 62% equity interest in Elite Window Cleaning Inc., a Canadian-based franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite currently supports six franchised locations and operates one corporate owned location, and Lawn Doctor's management team expects to leverage its core competencies to further expand Elite's franchise operations into the United States.

Polyform

Overview. On October 20, 2017, we entered into a merger agreement with PFHI Merger Sub, Inc., our wholly owned subsidiary, and Polyform. The merger agreement was amended on February 6, 2018. On February 7, 2018, pursuant to the terms of the merger agreement, we acquired a controlling interest in Polyform through an approximately $31.3 million investment consisting of approximately $15.6 million of common equity and an approximately $15.7 million debt investment in the form of a senior secured note that we made to Polyform. After the closing of the merger and the consummation of the equity contribution pursuant to the exchange agreement described under "Conflicts of Interest and Certain Relationships and Related Party Transactions," we own approximately 87% of the outstanding equity in Polyform, with the remaining equity owned by Denice Steinmann, a current board member and the former Chief Executive Officer of Polyform.

Company Overview. Polyform has been a developer, manufacturer and marketer of polymer clay products for the worldwide arts and crafts market for over 40 years. Through its two primary brands, Sculpey® and Premo!®, Polyform sells a

comprehensive line of premium craft products to a diverse mix of customers including specialty and big box retailers, distributors and e-tailers. We believe Polyform is well regarded for its high quality, comprehensive line of polymer clays, clay molds, children kits, clay tools and accessories available in approximately 16,000 retail locations through its major customers, plus many other locations through independent retailers. We believe that Polyform has a competitive advantage based on price, product variety, quality, innovation and overall distribution. Polyform's corporate headquarters are in Elk Grove Village, Illinois. Since July 2018, Mr. Steve Seppala, formerly Chief Financial Officer of Polyform, has served as Chief Executive Officer of Polyform.

Investment Highlights. Net sales for Polyform for the trailing twelve months ended December 31, 2024 were approximately $19.0 million. Net sales for Polyform have grown at a compound annual growth rate of approximately 3.5% from 2009 to the trailing twelve months ended December 31, 2024.

Growth Opportunities. We believe the following are key growth opportunities for Polyform: (i) the potential growth through new customer acquisitions, new product introductions, international expansion, and potential price increases, (ii) the potential to improve overall margins through automation, vendor cost reductions, and reformulations, and (iii) potential growth in the e-commerce channel through strategic digital and social media marketing initiatives.

Auriemma U.S. Roundtables

Overview. On August 1, 2019, we, through our wholly-owned subsidiary, acquired a controlling interest in Roundtables through an approximately $44.5 million investment consisting of approximately $32.4 million of common equity and an approximately $12.1 million debt investment in the form of senior secured notes. Prior to this transaction, Roundtables operated as a division of Auriemma Consulting Group, Inc. ("Auriemma Group"). We own approximately 81% of the outstanding equity of Roundtables, with the remaining equity owned by Michael Auriemma. Mr. Auriemma is the previous owner of Roundtables and will continue to serve as a member of Roundtables' board of directors. On November 13, 2019, we made an additional debt investment in Roundtables in the form of a $2.0 million senior secured bridge note. The senior secured bridge note accrues interest at a per annum rate of 8.0% and will mature in June 2025. We made an additional equity investment in Roundtables of approximately $1.1 million in August 2023.

Company Overview. Roundtables is an information services and advisory solutions business to the consumer finance industry. Roundtables offers membership in any of its over 40+ topic-specific roundtables across six verticals (credit cards, automotive financing, retail banking, wealth management, fintech, and insurance). Roundtables' customers participate in hosted executive meetings, proprietary benchmarking studies, and custom surveys. The subscription-based model provides executives with key operational data to optimize business practices and address current issues within the consumer finance industry. Auriemma Group, headquartered in New York, NY, was founded in 1984 and the U.S. Roundtables business was subsequently launched in 1992.

Investment Highlights. We believe that Roundtables customers' membership subscriptions, which has experienced annual growth of approximately 9.6% over the period of 2011 to June 30, 2024, supports a sustainable revenue model. From 2019 to December 31, 2024, membership has experienced strong and steady growth over the last 5 years at a compound annual growth rate of approximately 9.4%. The total revenue for Roundtables for the trailing twelve months ended December 31, 2024 was approximately $17.9 million, of which, the majority represented membership fees. From 2005 to the trailing twelve months ended December 31, 2024, Roundtables' total revenue has grown at a compound annual growth rate of approximately 14.0%.

Growth Opportunities. We believe the following are key growth opportunities for Roundtables: (i) the potential to continue to add top-tier clients and new roundtable topics, (ii) the ability to expand into new industries, (iii) the monetization of Roundtables' unique repository of data with existing clients, and (iv) strategic acquisitions including those listed below since our investment in Roundtables:

- In April 2021, Roundtables acquired Edgar Dunn's U.S. roundtables business, which added six roundtables to Auriemma Roundtables' services offering.
- In August 2023, Roundtables acquired insideARM, LLC. Founded in 1998, insideARM is a multi-faceted provider of news, education, community, resources, and events for debt collection professionals, including agencies, debt buyers and lenders/creditors. We believe insideARM will further expand our presence in the collections segment of the consumer financial services industry.

Milton Industries

Overview. On November 21, 2019, we, through our wholly-owned subsidiaries, Milton Strategic Capital EquityCo, LLC and Milton Strategic Capital DebtCo, LLC, acquired a minority interest in Milton Industries of $10.0 million. Our co-investment is comprised of an approximately $6.6 million common equity investment and a debt investment of approximately $3.4 million in senior secured subordinated notes. Our equity investment represents approximately 13% of the total ownership of Milton. The co-investment is alongside a debt and equity investment from the LMM II Fund, an institutional fund and affiliate of the Sub-

Manager. The remainder of the common equity of Milton is owned by members of the Milton executive management team and capital providers.

Company Overview: Milton was founded in 1943 and is based in Chicago, IL. Milton is a provider of highly-engineered tools and accessories for pneumatic applications across a variety of end markets including vehicle service; industrial maintenance, repair, and operating supplies; aerospace and defense; and agriculture. Milton has over 5,000 active customers and 3,000 SKUs with products including couplers, gauges, chucks, blow guns, filters, regulators, lubricators, hoses and fittings, specialty tools and fluid management equipment. Milton serves multiple customer channels including distributors, wholesalers and retailers.

Investment Highlights. Milton had net revenue for the trailing twelve months ended December 31, 2024, of approximately $82.8 million. Milton's net revenue has grown at a compound annual growth rate of approximately 7.5% from 2010 to the trailing twelve months ended December 31, 2024. We believe that Milton has an attractive financial profile based on its historical revenue margins, limited capital expenditure requirements and low working capital needs.

Growth Opportunities. We believe the following are key growth opportunities for Milton: (i) additional growth in existing markets, (ii) new product development, (iii) e-commerce and digital marketing initiatives and (iv) strategic acquisitions including those listed below since our investment in Milton:

- During 2020 and 2021, Milton acquired GH Meiser & Co., Milton's Bells, Zeeline, and Global-Flex. We believe these add-on acquisitions bolster Milton's tire gauge, grease and fluid handling, hose assemblies, rubber expansion and metal expansion joint products and pump connectors product lines.
- In March 2022, Milton acquired Thunder Technologies which specializes in critical and demanding hose, rubber and expansion joint applications.
- In July 2022, Milton acquired Lock Technology which provides specialty tools to the automotive end market.
- In December 2022, Milton acquired ProMaxx Tool which designs and manufactures proprietary on-the-vehicle exhaust manifold repair kits and other specialty tools.
- In March 2023, Milton acquired Steck Manufacturing. Steck expands Milton's product suite and end-market reach to offer specialty tools to automotive repair, body shop, heavy-duty truck, lockout and towing markets across the globe.
- In December 2024, Milton acquired GoatThroat Pumps, a manufacturer of precision-engineered fluid and chemical handling systems.
- In February 2025, Milton acquired Arrow Pneumatics, a manufacturer of compressed air preparation products. Serving customers since 1947, Arrow offers a complete line of filters, regulators, lubricators, desiccant products, and custom designed sintered filtration solutions. Arrow serves a wide range of industries that require dry clean air, including aerospace, automotive, government, food and beverage, dental, industrial, fluid power and medical.

Resolution Economics

Overview. On January 2, 2020, we, through our wholly-owned subsidiaries, RE Strategic Capital EquityCo, LLC and RE Strategic Capital DebtCo, LLC, acquired a minority interest in ResEcon of $10.0 million. Our co-investment in ResEcon is comprised of an approximately $7.1 million common equity investment and a debt investment of approximately $2.8 million in senior secured subordinated notes. Our equity investment represents approximately 8% of the total ownership of ResEcon. The co-investment is alongside a debt and equity investment from the LMM II Fund. The remainder of the common equity of ResEcon is owned by members of the ResEcon executive management team.

Company Overview. Established in 1998, ResEcon is a specialty consulting firm that provides services to law firms, corporations and government entities in labor & employment and commercial litigation matters. ResEcon provides economic and statistical analysis as well as expert testimony services in class action, multi-plaintiff and single-plaintiff matters alleging wrongful employment practices and focuses on discrimination in the recruitment and hiring. In providing its services, ResEcon relies upon client data, complex proprietary statistical modeling, expert testimony services and over 20 years of experience with labor & employment law and commercial litigation. ResEcon employs a highly technical workforce which includes professionals with PhDs, professionals with master's degrees, software for statistical analysis programmers, and professionals who have served as expert witnesses. ResEcon has offices in Los Angeles, New York, Chicago and Washington, D.C.

Investment Highlights. We believe ResEcon's focus on labor & employment litigation consulting services positions its business to be less correlated to overall economic cycles. We believe that ResEcon has an attractive financial profile, based on historical revenue margins, limited capital expenditure requirements and modest working capital needs. ResEcon had net revenue for the trailing twelve months ended December 31, 2024, of approximately $99.0 million. ResEcon's total revenue has grown at a compound annual growth rate of 15.0% from 2007 to the trailing twelve months ended December 31, 2024.

Growth Opportunities. We believe that the following are key growth opportunities for ResEcon: (i) geographic expansion to new U.S. metropolitan areas and internationally, (ii) expansion of consulting and advisory services to new areas of expertise beyond labor & employment, (iii) expansion of advisory and consulting services to new and existing clients, (iv) recruitment of senior lateral hires, and (v) strategic acquisitions including those listed below since our investment in ResEcon:

- In October 2022, Resolution Economics acquired Berkshire Associates, Inc. Founded in 1983 and headquartered in Columbia, MD, Berkshire is a provider of outsourced Affirmative Action Plan consulting and software services, compensation analysis and other human resource compliance-related services for HR professionals nationwide. The acquisition adds Equal Employment Opportunity compliance and Affirmative Action Plan services to Resolution Economics' existing labor and employment consulting services.
- In November 2023, Resolution Economics acquired a division of Biddle Consulting Group, Inc. headquartered in Folsom, CA. The acquired division is a provider of outsourced affirmative action plan services and other compliance related services.

Blue Ridge ESOP Associates

Overview. On March 24, 2020, we, through our wholly-owned subsidiaries, BR Strategic Capital EquityCo, LLC and BR Strategic Capital DebtCo, LLC, acquired a minority interest in Blue Ridge of $12.5 million. Our co-investment in Blue Ridge is comprised of an approximately $9.9 million common equity investment and a debt investment of approximately $2.6 million in senior secured subordinated notes. In August of 2022, we made an additional equity investment of approximately $2.9 million into Blue Ridge. Our equity investment represents approximately 16% of the total equity ownership of Blue Ridge. Our co-investment is alongside investments from the LMM II Fund, Blue Ridge's previous owners, and members of its executive management team.

Company Overview. Established in 1988, Blue Ridge is an independent, third-party employee stock ownership plans ("ESOP") and 401(k) administrator. For over 35 years, Blue Ridge has developed proprietary and comprehensive solutions to address the unique and complex administrative needs of companies operating as ESOPs and managing 401(k) plans. Blue Ridge's services and solutions include recordkeeping, compliance, reporting, distribution and processing, administrative services and plan management and analysis software.

Investment Highlights. We believe that Blue Ridge's business model and diversified client base position it to be more resilient in economic recessions and have less correlation to the overall economic cycles. The total revenue for Blue Ridge for the trailing twelve months ended December 31, 2024 was approximately $63.4 million. From 2005 to the trailing twelve months ended December 31, 2024, Blue Ridge's total revenue has grown at a compound annual growth rate of approximately 18.8% and grew each year through the financial crisis. Blue Ridge provides services for over 1,500 ESOP plans with approximately 575,000 plan participants and over 7,200 401(k), defined benefit, and other type plans with over 300,000 plan participants. From 2016 through December 31, 2024, approximately 75% of Blue Ridge's clients were obtained through key channel partner referrals.

Growth Opportunities. We believe that the following are key growth opportunities for Blue Ridge: (i) the growth of participants in the ESOP's at existing clients, (ii) the acquisition of new clients, supported through new client referrals and ESOP market growth, (iii) cross-selling of additional services, (iv) the expansion of service offerings into adjacent markets, and (v) strategic acquisitions including those listed below since our investment in Blue Ridge:

- In July 2020, Blue Ridge acquired Benefit Concepts Systems, Inc., a full-service benefit consulting firm with expertise in the design, implementation, and administration of ESOPs.
- In April 2021, Blue Ridge acquired Coastal Pension Services, a provider of outsourced 401(k) administration services in the greater Washington, D.C. area.
- In December 2021, Blue Ridge acquired California Benefit Planners, a provider of outsourced 401(k), defined benefit and cash balance plan administration services.
- In January 2022, Blue Ridge acquired Nicholas and Associates, a specialist in the design and administration of retirement plans.
- In August 2022, Blue Ridge acquired Crowe BPS, a specialist in ESOP administration as well as retirement plan and consulting services.
- In February 2023, Blue Ridge acquired Workplace Development Inc., a provider of innovative ESOP communication, training, and ownership culture services which we believe complement the services Blue Ridge offers its customers.
- In May 2024, Blue Ridge acquired TSC 401K, a third-party administration firm that offers expert retirement plan consulting, design, and administration solutions for businesses and their financial advisors. The acquisition further demonstrates Blue Ridge management's initiative to extend its geographic footprint and offer its services and technical expertise to a broader customer base.

Healthcare Safety Holdings LLC

Overview. On July 16, 2020, we, through our wholly-owned subsidiary, UM Strategic Capital EquityCo, LLC, acquired an approximately 75% interest in the common equity of HSH for $17.3 million. Additionally, we, through our wholly-owned subsidiary, UM Strategic Capital DebtCo, LLC, made a $24.4 million debt investment in HSH in the form of senior secured notes. The remaining HSH equity is owned by members of the HSH executive management team, the former controlling interest holder and TM SPV III, LLC. Members of the HSH executive management team may participate in an options incentive plan.

Company Overview. Founded in 1988 and headquartered in Excelsior, MN, HSH is a producer of daily use insulin pen needles, syringes and related product offerings under its Ultimed brand for the human and animal diabetes care markets. HSH specializes in providing "dispense and dispose" sharps solutions, which allow users to more easily and safely dispose of sharps. HSH produces branded and private label products sold primarily through distributors to retail pharmacies, veterinary clinics and dialysis centers, as well as via e-commerce channels. We believe that HSH's manufacturing facility in South Dakota is well equipped to capture the potential growing demand for single use sharps by human and animal diabetics.

Investment Highlights. The total revenue for HSH for the trailing twelve months ended December 31, 2024 was approximately $35.0 million. From 2005 to the trailing twelve months ended December 31, 2024, HSH's net revenue has grown at a compound annual growth rate of approximately 10.3%.

Growth Opportunities. We believe the following are key growth opportunities for HSH: (i) invest in sales/marketing to grow presence in new and existing channels, (ii) develop data driven and targeted marketing programs for each customer channel, and (iii) pursue strategic acquisitions.

ATA Title Company

Overview. On April 1, 2021, we, through our wholly-owned subsidiary, Huron Title Buyer, LLC, entered into a Membership Interest Purchase Agreement pursuant to which we acquired an approximately 75% interest in the common equity membership interest units of ATA Holding Company, LLC ("ATA") for consideration of approximately $36 million, subject to certain post-closing adjustments (the "ATA Acquisition"). Additionally, on the closing date of the Acquisition, we, through our wholly-owned subsidiary, ATA Strategic Capital DebtCo, LLC, made an approximately $37 million debt investment in subsidiaries of ATA in the form of senior secured notes. In February of 2022, we made an additional equity investment of approximately $1.1 million into ATA. The remaining ATA units of equity membership interest are owned by members of the ATA executive management team and former controlling interest owners.

Company Overview. Founded in 1999 and headquartered in Farmington Hills, MI, ATA is a national independent title insurance agency and settlement service provider for the residential resale, residential refinance, commercial and default markets. ATA has over 300 employees across over 60 offices in the Great Lakes Region (Michigan, Indiana, Ohio and Illinois). We believe ATA's scale and broad service offering allow it to process closings with minimal outsourcing resulting in higher quality, consistent transaction execution. Further, we believe ATA's higher touch service is a key distinguishing element for its customers. Although the residential resale and refinance business is driven in part by residential housing market and interest rates, we believe that ATA's diversified business model positions it well for various market cycles.

Investment Highlights. The total revenue for ATA for the trailing twelve months ended December 31, 2024 was approximately $52.1 million. From 2011 to the trailing twelve months ended December 31, 2024, ATA's total revenue has grown at a compound annual growth rate of approximately 1.8%.

Growth Opportunities. We believe the following are key growth opportunities for ATA: (i) geographic expansion, (ii) further building the company's sales function to accelerate organic growth and (iii) strategic acquisitions including:

- In February 2022, ATA acquired Absolute Title, Inc., a title services business providing services to the residential and commercial markets, in Ann Arbor, Michigan.

Douglas Machines Corp.

Overview. On October 7, 2021, we, through our wholly-owned subsidiary, DM Strategic Capital EquityCo, LLC, acquired an approximately 90% indirect equity ownership interest in the capital stock of Douglas Machines Corp. The remaining Douglas capital stock is owned by members of the Douglas executive management team and existing pre-closing owners. In connection with the transaction, our indirect wholly-owned subsidiary, Douglas Machines Buyer, Inc., entered into a Stock Purchase Agreement with Douglas and Douglas Acquisition Company, LLC (the "Douglas Seller") pursuant to which the Douglas Seller received aggregate consideration of approximately $40.7 million which included rollover investment from existing pre-closing owners and is subject to certain customary escrow related and post-closing adjustments ("Douglas Acquisition"). Additionally, through a Note Purchase Agreement dated October 7, 2021, we, through our wholly-owned subsidiary, DM

Strategic Capital DebtCo, LLC, made an approximately $15.0 million debt investment in Douglas in the form of senior secured notes. Subject to such adjustments, we paid approximately $35.5 million at closing for our portion of our equity ownership interest in the capital stock of Douglas.

Company Overview. Founded in 1979 and headquartered in Clearwater, FL, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end-markets in the United States. Many of these end-markets, and in particular, food safety, are subject to increasingly stringent regulations, further accelerated by the COVID-19 pandemic. We believe that Douglas' product offering offers a potentially high return on investment for its customers, typically generating savings in labor and water costs.

Investment Highlights. The total revenue for Douglas for the trailing twelve months ended December 31, 2024 was approximately $27.5 million. From fiscal year 2004 to the trailing twelve months ended December 31, 2024, Douglas' total revenue has grown at a compound annual growth rate of approximately 7.2%.

Growth Opportunities. We believe the following are key growth opportunities for Douglas: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) operational efficiencies, (iv) accretive acquisitions and (v) international expansion.

Clarion Safety Systems

Overview. On December 9, 2021, we, through our wholly-owned subsidiary, Clarion Strategic Capital EquityCo, LLC, acquired an indirect equity ownership interest in Clarion Safety Systems, LLC ("Clarion"). We own approximately 96% of the outstanding equity in Clarion. The remaining indirect equity ownership in Clarion is held by members of the Clarion executive management team. In connection with the transaction, our indirect subsidiary, Clarion Safety Buyer, LLC (the "Clarion Buyer") entered into a Unit Purchase Agreement (the "Clarion Purchase Agreement") with the pre-closing members of Clarion (the "Clarion Sellers") and Clarion Investment Holdings, LLC, as the seller representative, pursuant to which the Clarion Buyer paid aggregate consideration of approximately $67.5 million less approximately $0.5 million related to Clarion management's rollover amount, subject to certain net working capital, transaction expenses, and other customary post-closing purchase price adjustments (the "Clarion Acquisition"). The Clarion Purchase Agreement contains customary representations, warranties, and covenants by the Clarion Buyer and the Clarion Sellers. Our investment in Clarion is comprised of an indirect common equity interest investment of approximately $50.8 million (which reflects our additional equity investment of $4.0 million in June 2022) and a concurrent debt investment of approximately $22.5 million made through our wholly-owned subsidiary, Clarion Strategic Capital DebtCo, LLC, in the form of a senior secured note issued jointly and severally by the Clarion Buyer and Clarion.

Company Overview. Founded in 1990 and headquartered in Milford, PA, Clarion is a provider of standards-based visual safety labels and signs that support original equipment manufacturers, facility owners, and employers in reducing risk and protecting workers. Clarion serves thousands of customers across the world in a large and diverse set of industries. Customers rely upon Clarion's expertise to help them navigate applicable regulatory and safety standards related to risk communication, resulting in the implementation of tailored systems of risk reduction. We believe that Clarion's products are a cost-effective and necessary method for protecting users from potential liability as adequate warning labels and signs are required by OSHA and other industry bodies, and support a potentially durable business model.

Investment Highlights. The total revenue for Clarion for the trailing twelve months ended December 31, 2024 was approximately $17.6 million. Revenue for Clarion has grown at an approximately 7.9% compound annual growth rate from the year ended December 31, 2010 to the year ended December 31, 2024.

Growth Opportunities. We believe the following are key growth opportunities for Clarion: (i) market growth, (ii) new customer wins and wallet share expansion driven by sales and marketing expansion, (iii) service offering expansion and (iv) strategic acquisitions including those listed below since our investment in Clarion:

- In June 2022, we made an additional equity investment in Clarion of approximately $3.9 million for Clarion's acquisition of Machine Safety Specialists. Founded in 1977, Machine Safety Specialists' engineering consulting services include machine safety audits and risk assessments, machine safeguarding plans, verification and validation services and other workstreams that contribute to clients' compliance with applicable machine safety standards.
- In December 2023, we made an additional equity investment in Clarion of approximately $6.4 million for Clarion's acquisition of Arrow Industrial Solutions, LLC headquartered in Ravenna, Ohio. Arrow designs, engineers, manufactures, and installs machine safeguarding solutions serving manufacturing facilities.
- In February 2025, we made an additional equity investment in Clarion of approximately $13.5 million for Clarion's acquisition of McLoone Metal Graphics. Founded in 1954 and headquartered in La Crosse, WI, McLoone manufactures metal nameplates/ID plates and flexible labels utilized by Original Equipment Manufacturers and

other suppliers in a variety of end markets. McLoone's products complement Clarion's products and services for its customers' industrial safety needs.

Vektek Holdings

Overview. On May 6, 2022, we, through our wholly-owned subsidiary, Vektek Strategic Capital EquityCo, LLC acquired an approximately 84% indirect equity ownership interest in Vektek Holdings, LLC ("Vektek"). Our total investment of $81.3 million in Vektek is comprised of an indirect common equity interest investment of approximately $56.9 million and a concurrent debt investment of approximately $24.4 million made through our wholly-owned subsidiary, Vektek Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by Vektek. After the closing of the transaction, substantially all of the remaining Vektek equity was owned by certain of the pre-closing members of Vektek. On June 30, 2023, we made an additional senior debt investment in Vektek of approximately $25.0 million. The senior debt accrues interest at a variable rate and will mature on May 6, 2029.

Company Overview. Founded in 1974 and headquartered in St. Joseph, MO, Vektek designs, engineers and manufactures automated workholding solutions for CNC (Computer Numerical Control) machining. Vektek's products, including its high-pressure hydraulic clamps, are essential to machine automation, tight tolerance machining and user production throughput. Vektek serves domestic and international machining customers in end markets including general industrial, automotive, agriculture, medical devices, technology and aerospace. Vektek's products serve a large installed base that we believe are typically a minimal component of the customers' overall engineering spend and which we believe has the potential to result in a return on investment for Vektek customers.

Investment Highlights. The total revenue for Vektek for the trailing twelve months ended December 31, 2024 was approximately $35.3 million. Vektek's revenue has grown at an approximately 3.9% compound annual growth rate from the year ended December 31, 2006 to the trailing twelve months ended December 31, 2024.

Growth Opportunities. We believe the following are key growth opportunities for Vektek: (i) further existing customer penetration driven by product adoption/automation, new customer wins and Vektek's sales and marketing expansion initiatives, (ii) further end-market diversification, (iii) accretive acquisitions and (iv) new product development.

TacMed Solutions

Overview. On March 24, 2023, we, through our wholly-owned subsidiary, TM Strategic Capital EquityCo, LLC acquired an approximately 95.5% indirect equity ownership interest in Tacmed Holdings, LLC ("TacMed Solutions"). Our total investment of $106.0 million in TacMed Solutions is comprised of an indirect common equity interest investment of approximately $77.0 million and a concurrent debt investment of approximately $29.0 million made through our wholly-owned subsidiary, TM Strategic Capital DebtCo, LLC, to subsidiaries of TacMed Solutions in the form of senior secured debt. Following the closing of the transaction, in addition to our ownership, the remaining TacMed Solutions' equity is owned by certain members of the current TacMed Solutions' executive management team as well as TacMed Solutions' founder, Ross Johnson.

Company Overview. Founded in 2003 and headquartered in Anderson, SC, TacMed Solutions designs, develops and manufactures medical products that equip, train and protect professionals in pre-hospital, emergency trauma situations. TacMed Solutions' suite of traumatic injury products, hemorrhage control tourniquets, immobilization tools and critical care kits serve first responders, military, law enforcement and civilian public safety operations. TacMed Solutions' medical simulation training solutions combine advanced technology and durable materials to offer customers high fidelity training simulators. These human body simulators, isolated wound area task trainers and K-9 animal simulators provide realistic replicas for emergency medical personnel training exercises. TacMed Solutions reaches end customers directly through its sales force and through strategic partner distributors across the United States and internationally.

Investment Highlights. The total revenue for TacMed Solutions for the trailing twelve months ended December 31, 2024 was approximately $47.2 million. TacMed Solutions' revenue has grown at an approximately 8.5% compound annual growth rate from the year ended December 31, 2014 to the trailing twelve months ended December 31, 2024.

Growth Opportunities. We believe the following are key growth opportunities for TacMed Solutions: (i) further new customer acquisition and existing customer wallet share gains driven by product innovation and expansion of the serviceable market, (ii) potential to accelerate growth in civilian/public access channels given favorable public safety awareness trends and (iii) strategic acquisitions to further expand product offering and sales channels.

Sill Public Adjusters

Overview. On October 20, 2023, we, through our wholly-owned subsidiary, Sill Strategic Capital EquityCo, LLC acquired an approximately 99.1% indirect equity ownership interest in WCG Sill Adjusting LLC, an Ohio limited liability company ("Sill"). Our total investment of approximately $74.4 million in Sill is comprised of an indirect common equity interest investment of approximately $58.5 million and a concurrent senior secured debt investment of approximately $15.9 million made through our wholly-owned subsidiary, Sill Strategic Capital DebtCo, LLC. Following the closing of the transaction, in addition to our ownership, certain members of the current Sill executive management team will participate in the equity and debt ownership with us.

Company Overview. Founded in 1928, and headquartered in Cleveland, Ohio. Sill is a specialty insurance consulting firm exclusively representing business and property owners in connection with their property insurance claims. As a specialty insurance consulting firm for nearly 100 years, Sill focuses on providing expert claim preparation, management, and resolution services across North America and the Caribbean. Through its wide range of services (including end-to-end property loss adjusting, forensic accounting, and business interruption analysis), Sill seeks to deliver expert representation and support for claims stemming from fire, catastrophic, and other related events. Consistent with this outlook, we believe that Sill has a continued opportunity to grow through both market size increases and market share gains.

Investment Highlights. Sill's total year-to-date revenue as of December 31, 2024 was approximately $27.4 million. Sill's revenue has grown at an approximately 12.8% compound annual growth rate from the year ended December 31, 2010 to the trailing twelve months ended December 31, 2024.

Growth Opportunities. We believe the following are key growth opportunities for Sill: (i) accelerate marketing and business development initiatives for national brand awareness, (ii) increased market penetration and use of public adjusters by policyholders, (iii) expand geographic footprint with new offices, (iv) broaden the suite of services provided and (v) strategic acquisitions for consolidation within the fragmented industry including the one listed below since our investment in Sill:

- In June 2024, we made an additional equity investment in Sill of approximately $24 million to partially finance Sill's acquisition of Seltser & Goldstein Public Insurance Adjusters ("S&G"). Founded in 1935 and headquartered in Peabody, MA, S&G is a public insurance adjuster primarily representing residential and commercial property owners in similar to Sill. We believe this acquisition further demonstrates Sill management's initiative to expand its geographic footprint and offer its services and technical expertise to a broader customer base.

- In December 2024, we made an additional equity investment in Sill of $8 million to finance Sill's acquisition of Young Adjustment Company. Founded in 1920 and headquartered in Blue Bell, PA, Young is a public adjusting firm serving the Philadelphia market.

USA Water

Overview. On February 21, 2024, we, through our wholly-owned subsidiaries, USAW Strategic Capital EquityCo, LLC and USAW Strategic Capital DebtCo, LLC, made a co-investment in USA Water Intermediate Holdings, LLC ("USA Water") of approximately $10.0 million. Our co-investment is comprised of a combination of a minority common share equity position of approximately $8.6 million and $1.4 million of senior secured subordinated notes. Our equity investment represents approximately 5.0% of the total equity ownership of USA Water. The co-investment is alongside an LLCP institutional fund and affiliate of the Sub-Manager.

Company Overview. Headquartered in Rosenberg, Texas, USA Water is a provider of operations and maintenance services for water and wastewater systems across the Southeast, United States. USA Water's non-discretionary services enable municipalities and utility districts to entrust their water infrastructure maintenance, asset management, and regulatory compliance needs to a professional partner of scale. USA Water's technical expertise and comprehensive service offerings play a critical role in ensuring the integrity, safety, and reliability of clean, high-quality water access. USA Water provides customers with wastewater facility operations, pipe repair and maintenance, meter reading, new water tap installations, regulatory & compliance, and billing and administrative services.

Investment Highlights. We believe USA Water represents a stable, cycle-resilient business given the installed and aging U.S. water infrastructure grid and continued population growth in the geographies that USA Water serves. The total revenue for USA Water for the trailing twelve months ended December 31, 2024, was approximately $115.4 million. From 2014 to the trailing twelve months ended December 31, 2024, USA Water achieved a compound annual revenue growth rate of approximately 19.1%. We believe that continued growth in the overall outsourced U.S. water and wastewater treatment market is supported by increased adoption of outsourcing and aging municipal infrastructure that requires more maintenance and repair.

Growth Opportunities. The following are key growth opportunities for USA Water: (i) broadening USA Water's service capabilities, (ii) expanding USA Water's geographic footprint, and (iii) accelerating strategic acquisitions to further bolster USA Water's scale and presence.

- In August 2024, USA Water acquired AWR Services, Inc. Headquartered in Austin, TX, AWR Services provides utility management services to the water and wastewater industry. AWR is a strategic acquisition serving to broaden USA Water's service capabilities, expand its geographic footprint, diversify its customer base, and contribute to increased scale of the business.

Law Business Research

Overview. On June 17, 2024, we, through our wholly-owned subsidiary, LBR Strategic Capital EquityCo, LLC, made an investment in Law Business Research ("LBR") of approximately $59.4 million to acquire an indirect minority equity interest of 7.3% ownership in LBR. Our co-investment joins other owners, including LBR EquityCo, a majority owned subsidiary of Levine Leichtman Capital Partners VI, L.P. ("LLCP VI"), an institutional fund and affiliate of the Sub-Manager, certain members of LBR management, and Intermediate Capital Group ("ICG"), a global alternative asset manager based in London, which is unrelated to the Sub-Manager. ICG holds a controlling equity interest in LBR.

Company Overview. LBR is a technology-driven information services business powering the global legal, intellectual property and governance, risk and compliance markets. LBR's proprietary intelligence, data, and insight services are dedicated to supporting legal professionals in understanding market trends, regulatory developments and best practices. LBR goes to market under multiple proprietary brands led by its Lexology platform to provide its legal professional and corporate clients with subscription-based services for analytical content, informed case strategy, conducting research and to drive business development opportunities across its client base. Established in 1996, LBR has over 550 employees with headquarters in London, and offices in Washington, DC, Austin, New York and Hong Kong.

Investment Highlights. We believe that LBR is a resilient business given the potential for consistent demand of law firms, professional services firms and corporations for third-party legal technology information services to better serve their clients, customers and internal organizations. LBR has achieved a historical compound annual growth rate in revenue of approximately 17% through growth of new products, new customers, price increases and cross-selling over the period from December 31, 2020 through to December 31, 2023, on a pro forma basis inclusive of add-on acquisitions. For the twelve-month trailing period ended December 31, 2023, LBR generated revenue of approximately £78.9 million. The total revenue for LBR for the trailing twelve months ended December 31, 2024, was approximately £85.4 million. From 2012 to the trailing twelve months ended December 31, 2024, LBR achieved a compound annual revenue growth rate of approximately 17.4%. We believe that LBR has an attractive financial profile which is supported by a high percentage of subscription based recurring revenue, its EBITDA margins and high free cash flow conversion.

Growth Opportunities. We believe the following are key growth opportunities for LBR: (i) accelerate billings/revenue through further investment in sales, marketing and new product development, (ii) enhance cross-sell opportunities across a broader customer base, (iii) continue acquisition of strategic targets with new, complementary products/services, and (iv) capitalize on the information technology and services value-added expertise in its new partnership with ICG.

MAP Retirement

Overview. On July 18, 2024, we, through our wholly-owned subsidiary, MAP Strategic Capital EquityCo, LLC acquired an approximately 50.5% indirect equity ownership interest in Madison Retirement Holdings TopCo, LLC ("MAP"). Our total investment of $29.5 million in MAP is comprised of an indirect common equity interest investment of approximately $21.5 million and a concurrent debt investment of $8.0 million made through our wholly-owned subsidiary, MAP Strategic Capital DebtCo, LLC, in the form of a senior secured note issued by MAP. At the closing of the transaction, substantially all of the remaining MAP equity is owned by certain of the pre-closing members of MAP and management.

Company Overview. MAP Retirement is a third-party administrator of retirement plans. Serving small and mid-sized businesses across all 50 states, MAP provides customers with plan design and implementation, plan administration, compliance, fiduciary services and customized support to approximately 3,700 plans and 200,000 participants. Established in 1993, MAP has over 100 employees and is headquartered in Appleton, Wisconsin.

Investment Highlights. We believe that MAP is a provider of resilient, non-discretionary services to a large industry. Over the period from December 31, 2014 through December 31, 2023, MAP has achieved a compound annual revenue growth rate of approximately 19.2% primarily driven by growth in customer count and revenue per plan. MAP Retirement's total for the

trailing twelve months ended December 31, 2024 was approximately $37.5 million. From 2022 to the trailing twelve months ended December 31, 2024, MAP Retirement achieved a compound annual revenue growth rate of approximately 76.4%. We believe that MAP has an attractive financial profile supported by the potential for high recurring revenue, its EBITDA margins and high free cash flow conversion. We believe that MAP is a provider of resilient, non-discretionary services to a large industry.

Growth Opportunities. We believe the following are key growth opportunities for MAP: (i) customer retirement plan and associated participant growth, (ii) enhance cross-sell opportunities across a broader customer base, (iii) expand regional and national sales and marketing efforts as scale of the business develops, and (iv) continue acquisition of strategic targets with new, complementary products/services.

- In November 2024, we made an additional equity investment in MAP Retirement of $9 million to partially finance MAP Retirement's acquisition of Qualified Plan Consultants ("QPC"). QPC is a third-party retirement plan consulting and administration firm headquartered in Des Moines, Iowa. We believe this acquisition bolsters MAP Retirement's presence in Iowa and the Midwest.

- In November 2024, we made an additional equity investment in MAP Retirement of $7 million to partially finance MAP Retirement's acquisition of AimPoint Pension ("AimPoint"). AimPoint is a third-party retirement plan consulting and administration firm headquartered in Pompano Beach, Florida. We believe this acquisition will strengthen MAP Retirement's Southeast presence.

- In December 2024, we made an additional equity and debt investment in MAP Retirement of $27 million to partially finance MAP Retirement's acquisition of Pension Plan Specialists ("PPS"). PPS is a full-service third-party administrator for retirement plans headquartered in Vancouver, Washington. PPS aligns with MAP Retirement's strategic focus on small to mid-sized businesses and extends MAP Retirement's presence in the Pacific Northwest.

- In January 2025, MAP acquired Retirement Service Group, a third-party administrator for retirement plans headquartered in Orange, California.

- In January 2025, we made an additional equity investment in MAP of $4 million to purchase the equity interests of a minority shareholder of the company.

Financing Line of Credit

On February 15, 2025, CNL Strategic Capital B, Inc. ("Borrower"), our wholly-owned subsidiary, and Valley National Bank, a Tennessee banking corporation, (referred to as "Valley National Bank") entered into a First Amendment ("First Amendment") to the Loan and Security Agreement (the "Loan Agreement") previously entered into by such parties for a fifty million dollar ($50.0 million) revolving line of credit (the "Line of Credit"). Under the First Amendment, in the sole and absolute discretion of Valley National Bank, the Line of Credit may be increased to a maximum commitment amount of one hundred million dollars ($100 million). If increased, the additional commitment amount will be subject to a commitment fee of twenty-five hundredths of one percent (0.25%) on such an increased Line of Credit amount if utilized. Under the First Amendment, unless further extended, the Line of Credit has a new maturity date of February 15, 2026. In connection with the Line of Credit, the Borrower previously paid a commitment fee to Valley National Bank of one hundred and twenty-five thousand dollars ($125,000) plus Valley National Bank expenses associated with the Line of Credit. In connection with the First Amendment, the Borrower paid an additional commitment fee to Valley National Bank of one hundred and twenty-five thousand dollars ($125,000). The Borrower is required to pay interest on any borrowed amounts under the Line of Credit at a rate per year equal to the 1-Month Term secured overnight financing rate ("SOFR") plus 2.75%. Interest payments are due on the first calendar day of the month in arrears.

Furthermore, the Borrower is required to pay a quarterly unused borrowing fee at an annual rate of fifteen hundredths of one percent (0.15%) on the difference between (i) the fifty million dollar Line of Credit amount and (ii) the aggregate average daily balance of outstanding borrowings under the Line of Credit during such quarter. The Borrower may prepay, without penalty, all or any part of the borrowings under the Loan Agreement at any time and such borrowings are required to be repaid within one hundred and eighty (180) days of the borrowing date. Under the Loan Agreement, we are required to comply with certain covenants including the requirement to provide certain financial and compliance reports to Valley National Bank and restrictions on incurring certain levels of additional debt by us. In connection with the Line of Credit, we previously entered into a Guaranty agreement to act as a guarantor of the Borrower's outstanding borrowings under the Loan Agreement (the "Guaranty Agreement") we and the Borrower also entered into a pledge and assignment of bank and deposit accounts ("Pledge Agreement") in favor of Valley National Bank. Under the Pledge Agreement, we are required to maintain accounts with Valley National Bank, including

to contribute proceeds from the Company's offering, as a pledge of collateral to pay down the outstanding debt to the extent there are any borrowings outstanding under the Loan Agreement

MANAGEMENT

Our business and affairs are managed under the direction of our board of directors, as provided by our LLC Agreement and Delaware law. Our board of directors is responsible for the direction and control of our affairs. Our board of directors has retained the Manager and the Sub-Manager to manage our overall activities, subject to our board's supervision. Our board of directors serve in a fiduciary capacity to us and have a fiduciary duty to our shareholders, including a specific fiduciary duty to supervise the relationship between us and the Manager. This means that each director must perform his or her duties in good faith and in a manner that each director considers to be in our best interest and in the best interests of our shareholders. Our board of directors consists of five directors and has established an audit committee comprised of independent directors and may establish additional committees from time to time as necessary. Our board of directors is divided into three classes serving staggered terms of three years each. Any director may resign at any time and may be removed with or without cause by the shareholders upon the affirmative vote of at least a majority of the votes entitled to be cast at a meeting called for the purpose of the proposed removal. The notice of the meeting shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed. A majority of our board of directors will be independent directors except for a period of sixty (60) days after the failure to stand for re-election, death, removal, resignation or incapacitation of an independent director.

Directors and Executive Officers

The following table sets forth certain information regarding our executive officers and directors as of the date of this prospectus.

Name	Age	Position(s) Held with Us	Director/Executive Officer Since
James M. Seneff, Jr.	78	Director and Chairman of the Board of Directors (Class II)	2017
Arthur E. Levine	73	Director (Class III)	2016
Mark D. Linsz	60	Independent Director (Class II)	2017
Benjamin A. Posen	57	Independent Director (Class I)	2017
Robert J. Woody	81	Independent Director (Class III)	2017
Chirag J. Bhavsar	56	Chief Executive Officer	2017
Tammy J. Tipton	64	Chief Financial Officer and Interim Chief Operating Officer	2016
Paul W. Drury	64	Senior Managing Director	2022

The following sets forth biographical information concerning the individuals who are our executive officers and directors. The biographical descriptions for each director include the specific experience, qualifications, attributes and skills that led to the conclusion by our board of directors that such person should serve as a director.

James M. Seneff, Jr. serves as the Chairman of our board of directors. Mr. Seneff served as Chairman of the board of directors, from May 2011 to June 2016 and from January 2018 to present, and as a director since inception in June 2010 to June 2016, and from January 2018 to present of CNL Healthcare Properties, Inc., a public, non-traded real estate income trust ("REIT"). Mr. Seneff has served as the Chairman of its advisor, CNL Healthcare Corp., since its inception in June 2010. Mr. Seneff has served as Chairman of the board of directors and a director of CNL Lifestyle Properties, Inc., a public, non-traded REIT (2003 to 2017), a director of the managing member of its initial advisor, CNL Lifestyle Company, LLC (2003 to December 2010), and a director of its successor advisor, CNL Lifestyle Advisor Corporation (December 2010 to 2017). He served as Chairman of the board of directors and a director of CNL Growth Properties, Inc., a public, non-traded REIT, from August 2009 and December 2008, respectively, until 2016 and served as a manager of its advisor, CNL Global Growth Advisors, LLC, from 2008 to 2017. Mr. Seneff also served as Chairman of the board of directors and a director of Global Income Trust, Inc., another public, non-traded REIT, from April 2009 until its dissolution in December 2015, and served as manager of its advisor until December 2016. Mr. Seneff is the sole member of CNL Holdings, LLC ("CNL Holdings"), and has served as the Chairman, Chief Executive Officer and/or President of several of CNL Holdings' subsidiaries, including Chief Executive Officer and President (2008 to 2013) of CFG and as Executive Chairman (January 2011 to present), Chairman (1988 to January 2011), Chief Executive Officer (1995 to January 2011) and President (1980 to 1995) of CNL Financial Group, a diversified real estate company. Mr. Seneff serves or has served on the board of directors of the following CNL Holdings' affiliates: CNL Hotels & Resorts, Inc., a public, non-traded REIT (1996 to April 2007), and its advisor, CNL Hospitality Corp. (1997 to June 2006 (became self-advised)); CNL Retirement Properties, Inc., a public, non-traded REIT, and its advisor, CNL Retirement Corp. (1997 to October 2006); CNL Restaurant Properties, Inc., a public, non-traded REIT, and its advisor (1994 to 2005 (became self-advised)); Trustreet Properties, Inc., a publicly traded REIT (2005 to February 2007); National Retail Properties, Inc., a publicly traded REIT (1994 to 2005); CNL Securities Corp., a FINRA-registered broker-dealer and the Managing Dealer of this offering (1979 to 2013); and CNL Capital Markets Corp. (1990 to 2017). Mr. Seneff was also the Chairman and a principal stockholder of CNLBancshares, Inc. (1999 to 2015), which owned CNLBank until it merged into Valley National Bank in 2015. Mr. Seneff received his B.A. in business administration from Florida State University.

Mr. Seneff was selected as one of our directors because of his particular knowledge and experience in capital raising, particularly with regard to equity offerings and debt transactions, which strengthens our board of directors' collective knowledge, capabilities and experience. In addition, we believe that Mr. Seneff's experience is valuable to our board of directors in its oversight of regulatory and compliance requirements as well as its exercise of fiduciary duties to us and our shareholders. Mr. Seneff is principally responsible for overseeing the formulation of our strategic objectives.

Arthur E. Levine serves as a director on our board of directors. Mr. Levine currently serves as the Co-Chairperson of the Executive and Investment Committees of LLCP, which he co-founded in 1984. Mr. Levine has been making acquisitions in middle-market businesses for more than 40 years. In addition to planning the strategic direction of LLCP, his activities include primary responsibility for the investment activities of LLCP and institutional fundraising. Mr. Levine is a graduate of Columbia Law School (where he was a Harlan Fiske Stone Scholar) and received his MBA from UCLA Anderson School of Management. Mr. Levine has been married to Ms. Leichtman, a co-founder of LLCP, since 1979.

Mr. Levine was selected as one of our directors because of his substantial experience acquiring and managing businesses through his 40 years of experience guiding the investment activities of LLCP. He also has significant knowledge of, and relationships within the private equity sector and middle-market companies throughout the United States. Mr. Levine's experience in this regard provides value to our board of directors in its assessment and management of risk.

Mark D. Linsz serves as an independent director on our board of directors. Mr. Linsz currently serves as co-founder and senior managing partner of My Next Season, an organization designed to help companies and individuals with career transitions, a position he has held since September 2014. Mr. Linsz served as an independent trustee for Corporate Capital Trust II. Mr. Linsz also held a series of senior financial positions at Bank of America from 1998 to 2014, most recently serving as CFO Risk Executive from 2013 to 2014 and Corporate Treasurer from 2009 to 2013. Previously, Mr. Linsz served as Bank of America's Global Markets Risk Executive from 2007 to 2009 and as Chief Risk Officer for Europe, the Middle East, Africa and Asia from 2005 to 2008. Prior to 2005, Mr. Linsz also served as Bank of America's Capital Markets Risk Executive and Head of Compliance for the Global Corporate and Investment Bank. Mr. Linsz began his career with Chicago Research and Trading Group ("CRT") in 1987. Prior to being purchased by NationsBank, he was the head of Market Risk for CRT and continued these responsibilities at NationsBanc-CRT until 1998. Mr. Linsz previously served on the board of directors of the Deposit Trust and Clearing Corporation from 2013 to 2014 and on the board of directors of BlackRock Corporation from 2009 to 2011. Mr. Linsz received a B.A. from National Louis University.

Mr. Linsz was selected as one of our three independent directors because of his prior board experience and financial expertise.

Benjamin A. Posen serves as an independent director on our board of directors. Mr. Posen co-founded Lindbrook Capital LLC in May 2011, and is responsible for all investment-related activities, including asset allocation and investment research and selection. Prior to Lindbrook, Mr. Posen spent 14 years at Oppenheimer & Co. (September 1997 to May 2011), where he co-formed the Posen/Dritz group and successfully built a team to manage assets for wealthy individuals, foundations and endowments. Mr. Posen started his career in 1993 with Paine Webber. Mr. Posen has been recognized as a partner on one of "America's Top 100 Advisor Teams" by Barron's Magazine, and received a B.A. from the University of Minnesota.

Mr. Posen was selected as one of our three independent directors because of his industry experience and because of his investment experience and expertise.

Robert J. Woody serves as an independent director on our board of directors. Mr. Woody has also served as an independent director of CNL Lifestyle Properties, a public, non-traded REIT, from 2004 to 2017. He served as an independent director of CNL Healthcare Properties, Inc., a public, non-traded REIT, from October 2010 until April 2012. He serves as Managing Partner of Elgin Partners, LLC, the general partner of a private equity limited partnership in Washington, D.C. (November 2008 to present). He serves as Lead Independent Director of U.S. Energy Development Corporation (2018 to present). He served as deputy chairman and general counsel for Northstar Financial Services Ltd. (2005 through 2008) and as chief executive officer of Northstar Consulting Group, Inc. (2004 through 2005). Mr. Woody was the executive vice president and general counsel for Northstar Companies, Inc., an international wealth management firm, from 2002 until 2004. Before joining Northstar Companies, Inc., Mr. Woody was a partner at the law firm of Shook, Hardy & Bacon, L.L.P. (1997 to 2002). Mr. Woody received a B.A. and a J.D. from the University of Kansas and undertook graduate legal study in international law at the University of Exeter, England.

Mr. Woody was selected as one of our three independent directors because of his knowledge of business management and government relations, and his prior board experience.

Chirag J. Bhavsar serves as our Chief Executive Officer. Mr. Bhavsar also currently serves as Co-Chief Executive Officer and Co-President of CNL Financial Group. Mr. Bhavsar served as Chief Operating Officer from January 1, 2017 to April 9, 2018, Chief Financial Officer from January 1, 2017 to May 1, 2018, and as Chief Executive Officer and Chairman of the board of trustees from December 8, 2017 to April 9, 2018 of Corporate Capital Trust II, a business development company. In addition, Mr. Bhavsar served as Chief Operating Officer and Chief Financial Officer for Corporate Capital Trust, Inc., a business development company, from January 1, 2017 until November 14, 2017. Mr. Bhavsar has spent most of the past 15 years of his career with entities affiliated with CNL Financial Group. Mr. Bhavsar has served in the roles of Executive Vice President, Chief Operating Officer, and Chief Financial Officer for Valley National Bank's Florida Division, from 2015 to 2016, and as the Executive Vice President and Chief Financial Officer of its predecessor, CNLBancshares, Inc., from 2002 to 2015. Mr. Bhavsar is Chairman of the Board of Currency Exchange International Corp., which is a publicly traded company on the Toronto Stock Exchange. Mr. Bhavsar also currently serves as Director and President of Cogent Bank f/k/a Pinnacle Bank, which is a community bank based in Central Florida. Mr. Bhavsar received his Bachelor of Science in Accounting from the University of Florida in 1990, and received a Master of Science in Accounting from the University of Florida in 1991. Mr. Bhavsar also graduated from University of Virginia's Banking School in 1993. He is a certified public accountant.

Tammy J. Tipton serves as our Chief Financial Officer and Interim Chief Operating Officer (effective as of January 1, 2022). Ms. Tipton also currently serves as Chief Financial Officer, Senior Vice President and Treasurer of CNL Healthcare Corp. the advisor to CNL Healthcare Properties, Inc., a public, non-traded REIT. Ms. Tipton also has previously served as Chief Financial Officer, Senior Vice President and Treasurer of CHP II Advisors, LLC, since its inception on July 9, 2015, the advisor to CNL Healthcare Properties II, Inc., another public, non-traded REIT. Ms. Tipton previously served as the Chief Financial Officer and Treasurer of CNL Lifestyle Properties, Inc., another public non-traded REIT from May 2015 to December 2017, and served as Chief Financial Officer from March 2014 to December 2017, and as Senior Vice President from May 2015 to December 2017 of its advisor. She also served as Chief Financial Officer and Treasurer of CNL Growth Properties, Inc., another public, non-traded REIT, from September 2014 to October 2017. She served as Chief Financial Officer and Treasurer of Global Income Trust, Inc., another public, non-traded REIT, from September 2014 until its dissolution in December 2015. She serves as Chief Financial Officer and Senior Vice President of CNL Financial Group where she oversees the strategic finance, accounting, reporting, budgeting, payroll and purchasing functions for CFG and its affiliates. Ms. Tipton also holds various other offices with other CFG affiliates. Ms. Tipton has served in various other financial roles since joining CNL Financial Group in 1987. These roles have included regulatory reporting for 20 public entities and the accounting, reporting and servicing for approximately 30 public and private real estate programs. Ms. Tipton earned a B.S. in accounting from the University of Central Florida. She is also a certified public accountant.

Paul W. Drury serves in an executive officer role as our Senior Managing Director and also serves on the Investment Committee of the Manager. Mr. Drury also serves as Senior Managing Director of CNL Financial Group. Prior to joining CNL Financial Group, Mr. Drury served as a Senior Managing Director of the Investment Originations team at Levine Leichtman Capital Partners, LLC. In this capacity, he was responsible for the origination of new investment opportunities and investment due diligence with a focus on the Midwest region. During his 16 years at LLCP, Mr. Drury assisted to originate multiple new platform investments, including several of the company's investments. Prior to joining LLCP, Mr. Drury was a Vice President with the CIT Group, a New York-based middle-market lender, where he led the business development efforts throughout the Midwest and was responsible for developing strategic relationships with private equity investors, professional intermediaries and middle market businesses. Mr. Drury received a B.S. in Finance and Accounting from Texas Tech University and an M.B.A. with Honors from the University of Chicago Booth School of Business.

All of our executive officers are employed by and receive compensation from affiliates of our Manager.

Other Company Officers

Safak Subasi serves as Senior Vice President of the company. Mr. Subasi joined CNL Financial Group in 2006 and has served in progressive roles focusing on finance management, fund management, operations management, new product development and business analytics. Mr. Subasi also serves as a Senior Vice President, Finance and Fund Operations of CNL Financial Group. In this role, Mr. Subasi has been an integral part of the new product development team responsible for the launch of the company and worked to support the finance and operations functions within the company's Manager since the inception of the company. Prior to 2006, Mr. Subasi worked for Siemens AG, where he supported multiple business units in finance management. He also worked for Commercial Union Group in Turkey, where he developed financial investment models for clients. Mr. Subasi received his Bachelor of Science in Industrial Engineering from Bosphorus University (Istanbul, Turkey) in Honor's List and his Master of Business Administration with a concentration in Finance from Rollins College, Crummer Graduate School of Business (Winter Park, Florida) summa cum laude.

Leadership Structure of our Board of Directors

Our business and affairs are managed under the direction of our board of directors. Among other things, our board of directors sets broad policies for us and approves the appointment of the Manager, the Sub-Manager, the Administrator, the Sub-Administrator and our executive officers. The role of our board of directors, and of any individual director, is one of oversight and not of management of our day-to-day affairs.

Our board of directors understands that there is no single, generally accepted approach to providing board leadership and that given the dynamic and competitive environment in which we operate, the appropriate leadership structure may vary as circumstances warrant. Under our LLC Agreement, our board of directors may designate one of our directors as chair to preside over meetings of our board of directors and meetings of shareholders, and to perform such other duties as may be assigned to him or her by our board of directors. Presently, Mr. Seneff serves as Chairman of our board of directors and is an "interested person" by virtue of his professional association with CNL Financial Group. We believe that it is in the best interests of our shareholders for Mr. Seneff to serve as Chairman of our board of directors because of his significant experience in matters of relevance to our business. We believe that our board of directors' leadership structure is in the best interests of us and our shareholders. We also believe that this leadership structure creates a firm link between management and our board of directors and provides unified leadership for carrying out our strategic initiatives and business plans. Our board of directors has determined that the composition of our majority independent director board is an appropriate means to address any potential conflicts of interest that may arise from the chair's status as an interested person of the company.

All of the independent directors play an active role on our board of directors. The independent directors compose a majority of our board of directors and will be closely involved in all material deliberations related to us. Our board of directors believes that, with these practices, each independent director has an equal involvement in the actions and oversight role of our board of directors and equal accountability to us and our shareholders. Our independent directors are expected to meet separately as part of each regular board of directors meeting. Our independent directors may hold meetings at the request of any independent director.

Our Board of Directors' Role in Risk Oversight

Our board of directors plays an important role in the risk oversight of the company. Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. Risk management is a broad concept comprising many disparate elements (for example, investment risk, issuer and counterparty risk, compliance risk, operational risk, and business continuity risk). Our executive officers and the Manager and the Sub-Manager are responsible for the day-to-day management of the risks the company faces, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In this capacity, our board of directors (or a committee thereof) performs many tasks, including but not limited to, receiving regular periodic reports from our internal and external auditors and the Manager and the Sub-Manager (with respect to our business), approving acquisitions and dispositions and new borrowings as well as periodically reviewing and discussing with our management the risks the company faces. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed by our executive officers and the Manager and the Sub-Manager are adequate and functioning as designed.

One or more committees of our board of directors assist the full board of directors in risk oversight by addressing specific matters within the purview of each committee. For example, our audit committee is specifically responsible, in consultation with management, our independent auditors and our internal auditor for the integrity of the company's financial reporting processes and controls and valuation process. In executing this responsibility, our audit committee discusses policies with respect to risk assessment and risk management, including significant financial risk exposures and the steps management has taken to monitor, control and report on such exposures. As part of this process, our audit committee oversees the planning and conduct of an annual risk assessment that is designed to identify and analyze risks to implementing and executing our business strategy. The results of the risk assessment are then discussed with management and used to develop our annual internal audit plan.

Our board of directors believes that this role in risk oversight is appropriate. We believe that we have robust internal processes in place and a strong internal control environment to identify and manage risks. However, not all risks that may affect us can be identified or processes and controls developed to eliminate or mitigate their occurrence or effects, and some risks are beyond the control of us, the Manager, the Sub-Manager and our other service providers.

Committees of our Board of Directors

Our board of directors may delegate many of its powers to one or more committees. Our LLC Agreement requires that each of these committees be majority-comprised of our independent directors and our board has our audit committee, which consists solely of independent directors.

Audit Committee

Our audit committee is composed of our independent directors, Messrs. Linsz, Posen and Woody. Our audit committee operates under a written charter adopted by our board of directors. Our audit committee assists the board of directors in overseeing:

- our accounting and financial reporting processes and valuation process;
- the integrity and audits of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualifications and independence of our independent auditors; and
- the performance of our internal and independent auditors.

Mr. Linsz chairs our audit committee and serves as our "audit committee financial expert," as that term is defined by the SEC.

Compensation of Independent Directors

Each independent director is entitled to receive a $25,000 annual fee for services as well as $2,000 per board of directors meeting attended, whether they participate by telephone or in person. Each director serving on our audit committee will receive $2,000 per audit committee meeting attended, whether they participate by telephone or in person. The chairman of our audit committee will receive an annual retainer of $10,000. Independent directors will also receive $2,000 per day for their participation in all meetings and other company-related business outside of normally scheduled board of directors meetings. In addition to the annual fee and fee for meeting attendance, as applicable, we reimburse our independent directors for any reasonable out-of-pocket expenses incurred for its service as a director. No additional compensation will be paid for attending our annual meeting.

Compensation of Executive Officers

We have no employees. We are managed by the Manager pursuant to a Management Agreement. All of our executive officers are employees of the Manager or one or more of its affiliates. We have not paid, and do not intend to pay, any cash compensation to our executive officers and we do not currently intend to adopt any policies with respect thereto. We do not have agreements with any of our executive officers or any employees of the Manager or its affiliates with respect to their compensation. Pursuant to the Management Agreement, we pay the management fee to the Manager, not to provide compensation to our executive officers, but to compensate the Manager for the services it provides for the day-to-day management of us. No specific portion of the management fee is designated for use by the Manager as compensation to its employees who are our executive officers, and we are not required to, and do not, separately reimburse the Manager for compensation paid by the Manager to our executive officers. Rather, the Manager will determine the levels of base salary and cash incentive compensation that may be earned by our executive officers for services performed for the Manager, based on the time required for the performance of the duties of the Manager under the Management Agreement and such other factors as the Manager may determine are appropriate. The Manager will also determine whether and to what extent our executive officers will be provided with pension, deferred compensation and other employee benefits plans and programs for their services performed for the Manager. The Manager may choose to allocate any shares it acquires from the company to one or more employees of the Manager or its affiliates from time to time and in its sole discretion. We do not play any role in the Manager's determination of how it compensates our executive officers as we are not entitled to review or approve compensation decisions made by the Manager under the terms of the Management Agreement or otherwise.

Compensation Committee Interlocks and Insider Participation

No compensation committee exists, and no deliberations occurred with respect to executive compensation, as no executive officers will receive any compensation for their service as executive officers.

Conflicts of Interest

For a discussion of the conflicts of interest facing the company and our policies to address these conflicts, see "Conflicts of Interest and Certain Relationships and Related Party Transactions" on page 143 of this prospectus.

Indemnification Agreements

We have entered into indemnification agreements with members of our board of directors and our officers. These indemnification agreements provide indemnification to these persons by us to the maximum extent permitted by Delaware law and certain procedures for indemnification, including advancement by us of certain expenses relating to claims brought against these persons under certain circumstances.

The Manager and the Sub-Manager

The Manager is CNL Strategic Capital Management, LLC, or CNL. Our executive officers also are officers, key personnel and/or members of the Manager. While associated with CNL, our appointed executive officers will serve on behalf of the company and consist of our chief executive officer and president, chief operating officer, chief financial officer and senior managing director. The Sub-Manager is Levine Leichtman Strategic Capital, LLC, an affiliate of LLCP. One of our directors is also the President of the Sub-Manager. We do not pay any compensation to any of our executive officers.

Senior Management Team of the Manager

The following table sets forth certain information regarding the senior management team of the Manager who provides services to us as of the date of this prospectus.

Name	Age	Position at Manager
James M. Seneff, Jr.	78	Chairman
Chirag J. Bhavsar	56	Chief Executive Officer
Tammy J. Tipton	64	Chief Financial Officer and Treasurer
Paul W. Drury	64	Senior Managing Director

James M. Seneff, Jr. has served as the Chairman of the Manager since December 2017. Mr. Seneff's biographical information is included in the prospectus under "Management— Directors and Executive Officers."

Chirag J. Bhavsar has served as the Chief Executive Officer of the Manager since December 2017. Mr. Bhavsar's biographical information is included in the prospectus under "Management—Directors and Executive Officers."

Tammy J. Tipton has served as the Chief Financial Officer and Treasurer of the Manager since August 2016. Ms. Tipton's biographical information is included in the prospectus under "Management—Directors and Executive Officers."

Paul W. Drury has served as the Senior Managing Director since March 2022. Mr. Drury's biological information is included in the prospectus under "Management—Directors and Executive Officers."

Senior Executives of the Sub-Manager

The following table sets forth certain information regarding the Senior Executives of the Sub-Manager who provide services to us as of the date of this prospectus.

Name	Age	Position at Sub-Manager
Arthur E. Levine	73	President
Lauren B. Leichtman	75	Chief Executive Officer
Matthew G. Frankel	46	Senior Executive
Michael B. Weinberg	54	Senior Executive
Stephen J. Hogan	61	Senior Executive
David I. Wolmer	48	Senior Executive
Andrew M. Schwartz	43	Senior Executive
Matthew M. Rich	44	Senior Executive
Micah B. Levin	48	Senior Executive
Joshua A. Kaufman	43	Senior Executive

Arthur E. Levine is also a director on our board of directors and his biographical information is included in the prospectus under "Management—Directors and Executive Officers."

Lauren B. Leichtman serves as the Co-Chairperson of the Executive Investment Committees of LLCP, which she co-founded in 1984. In this capacity, Ms. Leichtman is actively involved in the oversight of LLCP's strategic direction, firm management and investment activities. Prior to co-founding LLCP, Ms. Leichtman practiced as a lawyer, including with the Enforcement Division of the U.S. Securities and Exchange Commission. Ms. Leichtman received a J.D. from Southwestern University School of Law and an L.L.M. from Columbia Law School. Ms. Leichtman has been married to Arthur Levine since 1979.

Matthew G. Frankel joined LLCP in 2010 and currently serves as a Managing Partner of LLCP. In this capacity, he is responsible for LLCP's global investment activities which include sector strategy, deal structuring and due diligence, portfolio management and oversight of the U.S. Investment Team. Mr. Frankel is a member of the Executive and Investment Committees. Prior to joining LLCP, Mr. Frankel was a Vice President with American Capital, a publicly traded leveraged buyout and mezzanine fund, and previously an investment banker with Bear, Stearns & Co., both in Los Angeles. Mr. Frankel received a B.S. in Business Administration from the University of Southern California.

Michael B. Weinberg joined LLCP in 2008 and currently serves as a Managing Partner of LLCP. In this capacity, he is responsible for LLCP's global investment activities which include deal origination and structuring, sector strategy, capital markets activities and oversight of the European Investment Team. Mr. Weinberg is a member of the Executive and Investment Committees. Prior to joining LLCP, Mr. Weinberg was a founding partner of CastleHill Investment Management, focused on private capital solutions for the middle market. Prior to that, he was a Principal and senior investment professional with FriedbergMilstein, a middle market investment boutique. Earlier in his career, Mr. Weinberg held several key roles within BNP Paribas' Merchant Banking Group and Ernst & Young LLP, both in New York. Mr. Weinberg received a B.S. in Accounting from Binghamton University and an M.B.A. from Columbia University.

Stephen J. Hogan joined LLCP in 1996 and currently serves as President, Co-Chief Operating Officer and Chief Financial Officer of LLCP. In this capacity, he is responsible for managing all day-to-day operations of the management company and LLCP's global business affairs, as well as oversight of the finance, accounting and investor relations functions. Mr. Hogan is a member of the Executive Committee. Prior to joining LLCP, Mr. Hogan served as the Chief Financial Officer for a Southern California middle market company and previously worked for KPMG Peat Marwick in Los Angeles, where he performed audit and tax work. Mr. Hogan received a B.S.B.A. with an emphasis in Accounting and an M.B.A. from the University of Southern California, and is a licensed CPA.

David I. Wolmer joined LLCP in 2008 and currently serves as Co-Chief Operating Officer and General Counsel of LLCP. In this capacity, he is responsible for managing all day-to-day operations of the management company and LLCP's global business affairs, as well as direct oversight of all legal and compliance activities. Mr. Wolmer is a member of the Executive Committee. Prior to joining LLCP, Mr. Wolmer was an Associate in the global corporate group of Milbank, Tweed, Hadley & McCloy LLP. Mr. Wolmer received a B.A. in Organizational Studies from the University of Michigan and a J.D. from the Fordham School of Law.

Andrew M. Schwartz joined LLCP in 2011 and currently serves as a Partner of LLCP. In this capacity, he is responsible for the day-to-day management of the U.S. Investment Team and is actively involved in sector strategy, deal structuring and due diligence and oversight of the U.S. portfolio. Mr. Schwartz is a member of the Executive and Investment Committees. Prior to joining LLCP, Mr. Schwartz was a Vice President with Liberty Partners, a middle-market private equity firm, and previously an investment banker with Jefferies, both based in New York. Mr. Schwartz received a B.S. in Economics with a Concentration in Finance from the University of Pennsylvania Wharton School and a B.S.E. in Computer Science and Engineering.

Matthew M. Rich joined LLCP in 2014 and currently serves as a Partner of LLCP. In this capacity, Mr. Rich is responsible for the day-to-day management of the U.S. Investment Team and is actively involved in sector strategy, deal structuring and due diligence and oversight of the U.S. portfolio. Mr. Rich is a member of the Investment Committees. Prior to joining LLCP, Mr. Rich was a Vice President with Arlington Capital Partners, a Washington, DC-based middle market private equity firm, and previously a principal investor with Kayne Anderson in Los Angeles. Mr. Rich began his career in Mergers & Acquisitions at Lazard Frères & Co. in New York. Mr. Rich received a B.S.E. in Systems Engineering from the University of Pennsylvania and an M.B.A. from the Wharton School, where he was a Palmer Scholar and a Joseph Wharton fellow.

Micah B. Levin joined LLCP in 2017 and currently serves as a Partner of LLCP. In this capacity, he is responsible for the day-to-day management of the U.S. Investment Team and is actively involved in sector strategy, deal structuring and due diligence and oversight of the U.S. portfolio. Mr. Levin is a member of the Investment Committees. Prior to joining LLCP, Mr. Levin was a Principal with Odyssey Investment Partners, a middle market private equity firm. Prior to that, Mr. Levin was a principal investor with private equity firm Behrman Capital, a member of the Control Distressed Group of GSC Group and a principal investor with private equity firm The Cypress Group. He began his career in the Mergers & Acquisitions group of Morgan Stanley in New York, and then joined the firm's internal private equity fund Princes Gate. Mr. Levin received a B.A., magna cum laude and Phi Beta Kappa, in Economics from Northwestern University and an M.B.A. from the University of Pennsylvania Wharton School, where he was a Palmer Scholar.

Joshua A. Kaufman rejoined LLCP in 2020, having been with the firm in a similar capacity from 2011 to 2016, and currently serves as a Partner of LLCP and Head of Europe. In this capacity, he is responsible for managing the European Investment Team, as well as the origination of new investment opportunities, investment due diligence and portfolio management.

Mr. Kaufman is a member of the Investment Committee. Prior to rejoining LLCP, Mr. Kaufman was a Partner with Inflexion, a London-based private equity firm, where he sourced and led investments with a focus on the education, business services and TMT sectors. Earlier in his career, Mr. Kaufman was a Senior Associate at Leeds Equity Partners, a New York-based private equity firm, where he focused on investing in middle-market education and business services companies. He began his career at Robert W. Baird in Chicago as a member of the technology and services investment banking team. Mr. Kaufman received a B.S.B.A. with Honors and an emphasis in Finance from the University of Colorado.

Historical Experience of LLCP and its Affiliates

The information presented herein represents the historical experience of programs sponsored or managed in the last ten years by LLCP and its affiliates, through December 31, 2024, except as otherwise indicated, that have similar business objectives to us (the "Private Acquisition Funds"). The purpose of this prior performance information is to enable investors to evaluate accurately the experience of LLCP and its affiliates in sponsoring programs.

Investors should not assume that they will experience returns, if any, comparable to those experienced by investors in the Private Acquisition Funds. Investors who purchase our shares will not thereby acquire an ownership interest in any of the entities to which the following information relates. Further, the Private Acquisition Funds 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 as a publicly offered company.

We consider a prior program to have a business objective similar to us if the program acquires, or has acquired, controlling and minority equity interests in growing middle-market businesses located primarily in the United States. Although a business objective is similar, the specific acquisition criteria of a prior program may vary from program to program as compared to our acquisition criteria.

General

Since its inception in 1984 through December 31, 2024, LLCP and the LLCP Senior Executives have managed approximately $16.4 billion of capital. From 1984 through 1993, LLCP Founding Principals Arthur E. Levine and Lauren B. Leichtman made seven investments in their individual capacities prior to establishing LLCP. From 1994 through December 31, 2024, LLCP has sponsored and managed fifteen private funds (the “LLCP Private Funds”) in addition to our company, raised a total of approximately $13.8 billion of capital commitments from over 200 institutional and other investors, and invested approximately $9.6 billion in over 100 middle-market companies across various industries, including franchisors, business services, and light manufacturing and engineered products. As of December 31, 2024, 80 businesses had been sold by the LLCP Private Funds. The aggregate investment cost of these businesses was approximately $4.8 billion with a realized value of approximately $11.5 billion. With respect to the LLCP Private Funds, we believe that we have a similar business objective with the Private Acquisition Funds, which are described below.

Private Acquisition Funds

The Private Acquisition Funds acquire, or have acquired, controlling and minority equity interests in growing middle-market businesses located primarily in the United States. The Private Acquisition Funds are described below.

- ***Levine Leichtman Capital Partners, L.P.*** (“LLCP I”) launched in 1994, closed in 1994 with a total of approximately $102.5 million of capital commitments and made six investments. LLCP I primarily focused on companies in the U.S. with annual revenues of $50 to $500 million. LLCP I was liquidated in 2009.

- ***Levine Leichtman Capital Partners II, L.P.*** (“LLCP II”) launched in December 1997, closed in August 1999 with a total of approximately $350 million of capital commitments and has made 12 investments. LLCP II primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP II was liquidated in 2021.

- ***Levine Leichtman Capital Partners III, L.P.*** (“LLCP III”) launched in June 2002, closed in December 2004 with a total of approximately $500 million of capital commitments and has made 14 investments. LLCP III primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP III was liquidated in 2022.

- ***Levine Leichtman Capital Partners IV, L.P.*** (“LLCP IV”) launched in September 2007, closed in October 2009 with a total of approximately $1.1 billion of capital commitments and has made 11 investments. LLCP IV primarily focused on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP IV’s investment period has expired.

- ***Levine Leichtman Capital Partners V, L.P.*** ("LLCP V") launched in September 2012, closed in March 2014 with a total of approximately $1.6 billion of capital commitments and has made 11 investments. LLCP V primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP V's investment period has expired; however, it may be called upon to provide follow-on capital for existing investments.

- ***Levine Leichtman Capital Partners VI, L.P.*** ("LLCP VI") launched in November 2016, closed in December 2018 with a total of approximately $2.5 billion of capital commitments and has made ten investments. LLCP VI primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP VI's investment period has expired; however, it may be called upon to provide follow-on capital for existing investments.

- ***Levine Leichtman Capital Partners VII, L.P.*** ("LLCP VII") launched in September 2022 and is currently being offered and has made two investments so far. LLCP VII primarily focuses on companies in the U.S. with annual revenues ranging from $50 million to $500 million. LLCP VII is currently in its investment period.

- ***Levine Leichtman Capital Partners Small Business Fund, L.P.*** ("LMM I Fund") launched in May 2010, closed in February 2011 with a total of approximately $226 million of capital commitments and has made seven investments. The LMM I Fund focuses on companies in the U.S. with annual revenues of less than $50 million at the time of investment. The LMM I Fund's investment period has expired.

- ***LLCP Lower Middle Market Fund, L.P.*** ("LMM II Fund") launched in March 2016, closed in October 2016 with a total of $615 million of capital commitments and has made eight investments. The LMM II Fund focuses on U.S. companies with annual revenues of less than $50 million at the time of investment. The LMM II Fund's investment period has expired; however, it may be called upon to provide follow-on capital for existing investments. In November 2024, the fund sold its remaining portfolio investments to LLCP LMM Acquisition Fund, L.P., a newly formed continuation vehicle managed by LLCP.

- ***LLCP LMM Acquisition Fund, L.P.*** ("LLCP CV") launched and closed in November 2024 with a total of $575 million of capital commitments (including committed but uncalled capital) and with three investments. The LLCP CV is in its active term, with committed capital available for follow-on investments.

- ***LLCP Lower Middle Market Fund III, L.P.*** ("LMM III Fund") launched in September 2020, closed in September 2021 with a total of $1.38 billion of capital commitments and has made seven investments so far. The LMM III Fund focuses on U.S. companies with annual revenues of less than $50 million at the time of investment. The LMM III Fund is currently in its investment period.

Affiliates of the Sub-Manager have sponsored certain other vehicles which we believe we do not have a similar investment objective. More specifically, the Levine Leichtman Capital Partners Deep Value Fund, L.P., which was fully liquidated in March 2018, did not have business objectives similar to ours because it primarily made debt investments in stressed, distressed or over-leveraged companies and the Levine Leichtman Capital Partners Private Capital Solutions, L.P. does not have business objectives similar to ours because it primarily makes investments in value-oriented, slower growth middle-market companies. The Levine Leichtman Capital Partners California Growth Fund, L.P. does not have business objectives similar to ours because it limits its investments to only companies in California and invests in loan and debt originations of third parties. The Levine Leichtman Capital Partners Europe, L.P. and the Levine Leichtman Capital Partners Europe II SCSP also do not have business objectives similar to ours because they limit their investments to only companies in Europe.

The table below sets forth certain performance data relating to the Private Acquisition Funds. From 1994 through December 31, 2024, the Private Acquisition Funds invested approximately $7.7 billion in 91 investments generating a gross internal rate of return of 20.9% and a 2.2x cash-on-cash multiple. This performance and other data is not a guarantee or prediction of the returns that we may achieve in the future.

Private Acquisition Funds
Performance From Inception through December 31, 2024[1]

($ in thousands)	As of December 31, 2024						
	Total Number of Investments	Investment Amount[2][3]	Realized Value[4]	Unrealized Value[4]	Gross Internal Rate of Return[5]	Net Internal Rate of Return[6]	Management & Incentive Fees, Expenses
LLCP I	6	$98,560	$159,945	-	44.2%	18.7%	$32,535

LLCP II	12	$346,772	$497,128	-	10.5%	5.7%	$61,098
LLCP III	14	$470,356	$920,570	-	16.3%	9.8%	$143,536
LLCP IV	11	$834,654	$1,853,779	$90,615	26.8%	17.5%	$325,623
LLCP V	11	$1,399,941	$4,276,714	$82,241	23.1%	17.1%	$766,949
LLCP VI	10	$2,267,136	$1,691,090	$3,543,704	22.8%	16.3%	$854,779
LLCP VII[7]	2	$438,732	$3,512	$472,644	n.m.	n.m.	$52,369
LMM I Fund	7	$149,705	$488,840	$1,120	32.3%[8]	26.7%[8]	$94,445
LMM II Fund	8	$449,361	$1,318,514	$8,456	33.4%	24.0%	$236,610
LLCP CV [7]	3	$425,011	$1,290	$497,002	n.m.	n.m.	$9,932
LMM III Fund	7	$840,687	$60,941	$1,138,122	28.1%	12.8%	$169,793

(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 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, 2024.

(5) 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.

(6) 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.

(7) The net internal rate of return (IRR) is computed based on the actual dates of the cash inflows (capital contributions), outflows (cash distributions), and the net assets at the end of the period (residual value) of the limited partners' capital balance. LLCP VII and the LLCP CV are still in the early stages of their life and/or their capital has not yet been fully deployed. As such, the internal rate of return may not yet be an appropriate measure of LLCP VII and the LLCP CV's performance.

(8) Internal Rate of Return for the LMM I Fund is based on fund level cash flows, not limited partner cash flows.

The table below sets forth summary information on the results of sales of companies from certain Private Acquisition Funds during the three year period ended December 31, 2024.[1]

		Year Ended December 31, 2024				
($ in thousands)	**Operating Company**	**Industry**	**Date Acquired**	**Date of Sale**	**Investment Cost**	**Realized Value[2]**
LLCP V	Smith System	Commercial Driver Training	Jun 2014	Nov 2023	$75,000	$240,507
LLCP V	Therapeutic Research Center	Medication Decision Support	Aug 2017	Nov 2023	$171,271	$479,871
LLCP V	GL Education	Education Services	May 2016	Mar 2023	$203,738	$489,301
LLCP V	Hand & Stone	Spa Franchisor	Apr 2015	Jun 2022	$80,500	$630,611
LLCP V	Monte Nido	Eating Disorder Facilities	Aug 2015	Aug 2022	$199,975	$419,115
LLCP VI	Law Business Research	Legal Research Publisher	Dec 2017	May 2024	$205,684	$410,120
LLCP VI	Tropical Smoothie Cafe	Fast Casual Cafe Franchisor	Sept 2020	Jun 2024	$246,234	$873,049
LMM II Fund . . .	Milton Industries	Industrial Tool Manufacturer	Nov 2019	Nov 2024	$63,554	$159,457
LMM II Fund . . .	Resolution Economics	Specialty Consulting Firm	Jan 2020	Nov 2024	$67,923	$140,871
LMM II Fund . . .	Blue Ridge	ESOP Administration	Mar 2020	Nov 2024	$52,465	$143,802
LMM II Fund . . .	Mountain Mike's	Restaurant Franchisor	April 2017	Feb 2022	$37,500	$113,605

($ in thousands)	Operating Company	Year Ended December 31, 2024 Industry	Date Acquired	Date of Sale	Investment Cost	Realized Value[2]

(1) The Private Acquisition 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) Realized value represents the combination of cumulative interest and dividend payments as well as net proceeds derived from the ultimate sale transaction. Realized Value 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.

Adverse Conditions and Other Developments Affecting the Private Acquisition Funds

Certain of the Private Acquisition Funds have been affected from time to time by general economic conditions, capital market trends and other external factors during their respective operating periods. However, there have been no major adverse business developments or conditions experienced by any Private Acquisition Funds that would be material to investors, including as a result of recent general economic conditions. You should not rely on the past performance of investments by other LLCP-affiliated entities to predict our future results.

Management Agreement

CNL Strategic Capital Management, LLC serves as the Manager under the Management Agreement with us. Subject to the overall supervision of our board of directors, the Manager is responsible for the overall management of our activities.

Services under the Management Agreement

Under the terms of the Management Agreement, the Manager will, among other things:

- provide research and thought leadership with regards to our business and acquisition policies and operating company holdings;
- investigate, select, and, on our behalf, engage and conduct business with such persons as the Manager deems necessary to the proper performance of its obligations hereunder, including but not limited to consultants, accountants, correspondents, lenders, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, banks, securities investment advisers, mortgagors, and any and all agents for any of the foregoing, including affiliates of the Manager, and persons acting in any other capacity deemed by the Manager necessary or desirable for the performance of any of the foregoing services, including but not limited to entering into contracts in our name with any of the foregoing;
- consult with the officers and our board of directors and assist our board of directors in the formulation and implementation of our financial policies, and, as necessary, furnish our board of directors with advice and recommendations with respect to asset acquisitions and dispositions consistent with our business objectives and policies and in connection with any borrowings proposed to be undertaken by us;
- locate, analyze, perform due diligence on and select potential assets;
- structure and negotiate the terms and conditions of transactions pursuant to which asset acquisitions and dispositions will be made, including, without limitation, the formation and qualification of wholly-owned subsidiaries and special purpose vehicles;
- make asset acquisitions and dispositions on our behalf in compliance with our business strategy and policies;
- arrange for financing and refinancing and make other changes in the asset or capital structure of, and dispose of, reinvest the proceeds from the sale of, or otherwise deal with asset acquisitions;
- determine the composition of our businesses and other assets, the nature and timing of the changes therein and the manner of implementing such changes;
- service and monitor our assets, whether such assets are held directly or indirectly;
- arrange financings and borrowing facilities for us;

- upon request, provide our board of directors with periodic reports regarding prospective business opportunities;
- from time to time, or at any time reasonably requested by our board of directors, make reports to our board of directors regarding (i) the Manager's performance of services to us under the terms of the Management Agreement; and (ii) the Sub-Manager's performance of services under the Sub-Management Agreement;
- provide foreign currency management (including foreign currency hedging);
- support our capital raising efforts, including without limitation, being reasonably available to support any placement agent's or dealer manager's marketing, syndicate building and placement process, it being understood that such placement agent or dealer manager will lead all day-to-day capital raising efforts;
- lead our day-to-day equity sales and marketing efforts in collaboration with the placement agent or dealer manager, as applicable;
- participate in the fair valuation process for portfolio investments pursuant to valuation policies and procedures approved by our board of directors or a committee thereof, including making supportable recommendations of fair values to us for all investments for which publicly observable prices are not available;
- participate in the review of draft public financial statements and registration statements to ensure that the information presented regarding the Manager or Sub-Manager, its affiliates and our underlying businesses is accurate and not misleading and to complete agreed-upon disclosure certifications; and
- participate in presentations to (a) dealer manager or placement agent wholesaling personnel; (b) broker-dealer and registered investment adviser and other distribution intermediaries road shows; (c) educational forums; (d) due diligence review programs conducted by third-party evaluators and due diligence officers of broker-dealers; and (e) other marketing events and forums to facilitate our fund raising efforts.

Officers and personnel of the Manager who provide services to us must comply with our code of business conduct, including the conflicts of interest policy included in the code of business conduct, which prohibits such officers and personnel from engaging in any transaction that involves an actual conflict of interest with us without the approval of our board of directors. The Manager has a fiduciary responsibility to us pursuant to the Management Agreement, which, under Delaware law, includes the duties of care, good faith and fair dealing. The Manager also has a fiduciary responsibility for the safekeeping and use of all of our funds and assets and will not employ or permit another to employ such funds or assets in any manner except for the exclusive benefit of us.

Effectiveness of the Management Agreement

The company is managed by the Manager, CNL, under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities. The Management Agreement was initially approved by our board of directors and became effective on February 7, 2018. Unless earlier terminated as described below, the Management Agreement will remain in effect for a period of one year from the date it first became effective and will remain in effect from year-to-year thereafter if approved annually by a majority of our independent directors. Most recently, on March 12, 2025, our board of directors, including a majority of our independent directors, approved the Fifth Amended and Restated Management Agreement and renewed the Management Agreement for a one-year term through February 7, 2026, subject to earlier termination in accordance with its terms.

Termination of the Management Agreement

We may terminate the Management Agreement, without penalty, (i) immediately for cause (as described below) or (ii) upon 120 days written notice to the Manager. The decision to terminate or not renew the Management Agreement must be made by our board of directors. In addition, the Manager may terminate the Management Agreement with us upon 120 days written notice to us. In the event that the Manager terminates the Management Agreement without cause and provides 120 days prior written notice to us pursuant to the Management Agreement, the Manager shall pay all reasonable expenses that we incur as a direct result of the Manager's termination, beginning on the first calendar day following the effective date of termination. If the Management Agreement is terminated or not renewed, we will pay the Manager accrued and unpaid fees and expense reimbursements, earned prior to termination or non-renewal of the Management Agreement within 90 days after the effective date of such termination or non-renewal. With respect to the termination of the Management Agreement, "cause" is defined as (a) fraud, criminal conduct, willful misconduct or willful breach of fiduciary duty by the Manager as determined by a court of competent jurisdiction to the extent that our board of directors has determined that such conduct has materially and adversely affected us, (b) a material breach of the Management Agreement of any nature whatsoever by the Manager, which breach is not

cured within 90 days of notice given to the Manager specifying the nature of the alleged breach, or (c) the Manager assigns the Management Agreement or a Manager Change of Control Event occurs and such assignment or Manager Change of Control Event, as applicable, does not constitute a Permitted Manager Assignment of the Management Agreement. "Criminal conduct" includes a misappropriation of funds committed by the Manager or an affiliate thereof with respect to our company or if a member of the senior management team of the Manager whose services are material to us has been convicted or entered a plea of guilt or *nolo contendere* of any felony or a violation of any federal or state securities laws. "Permitted Manager Assignment of the Management Agreement" means the assignment of the Management Agreement by the Manager or the occurrence of a Manager Change of Control Event, in each case after obtaining our consent, which consent shall be approved by a majority of our independent directors. "Manager Change of Control Event" means (i) a sale, merger, equity issuance or similar transaction, whether directly or indirectly, involving the Manager or its equity holders in which the indirect and direct equity holders of the Manager immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors or managers of the surviving entity, (ii) the sale by the Manager of all or substantially all of the Manager's assets in one transaction or in a series of related transactions, or (iii) any transaction or combination of transactions as a result of which the person(s) in control of the Manager, whether directly or indirectly, as of the date of the Management Agreement cease to be in control of the Manager; provided, however, (a) a Manager Change of Control Event shall not be deemed to have occurred, if such transaction involves a sale, transfer or similar transaction from any direct or indirect equity holder(s) of the Manager as of the date of the Management Agreement to another direct or indirect equity holder(s) of the Manager as of the date of the Management Agreement, or (b) as a result of a change in the executive officers of the Manager. The Management Agreement shall not be assigned by the Manager other than pursuant to a Permitted Manager Assignment of the Management Agreement. The Management Agreement shall not be assigned by us without the prior written consent of the Manager, except in the case of assignment by us to an organization which is a successor (by merger, consolidation, purchase of assets, or similar transaction) to us, in which case such successor organization shall be bound under the Management Agreement and by the terms of such assignment in the same manner as we are bound under the Management Agreement.

Pursuant to the Sub-Management Agreement, in the event the Management Agreement is terminated (i) by the company for cause (as defined above) or (ii) due to the Manager's inability to perform its duties as manager under the Management Agreement due to bankruptcy, insolvency, reorganization, receivership or similar situation, the Sub-Manager shall attorn to the company, and the Sub-Management Agreement shall continue in full force and effect as a direct management agreement between the company and the Sub-Manager upon all of the terms and conditions set forth in the Sub-Management Agreement and the compensation provisions of Section 3 of the Management Agreement shall be incorporated into the Sub-Management Agreement.

The Sub-Management Agreement also provides that in the event the Manager or the Sub-Manager is terminated or not renewed as a manager or sub-manager, other than for cause, the other will also terminate its Management Agreement or Sub-Management Agreement with us, as applicable.

Amendment, Modification, or Waiver of the Management Agreement

Pursuant to the terms of the Sub-Management Agreement, the Management Agreement may not be amended, modified or waived, in whole or in part, without the prior written consent of the Sub-Manager.

Base Management Fee and Total Return Incentive Fee

For the purposes of this section, the following terms shall have the definitions set forth below:

- "Total Return to Shareholders" for any calendar quarter is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of such calendar quarter end.

- The terms "Total Return to Non-founder Shareholders" and "Total Return to Founder Shareholders" means the Total Return to Shareholders specifically attributable to each particular share class of non-founder shares or founder shares, as applicable.

- "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable quarter. The annual preference return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar quarter end.

- Adjusted Capital is defined as cumulative proceeds generated from sales of our shares of a particular share class (including proceeds from the sale of shares pursuant to the distribution reinvestment plan, if any), net of sales load

(upfront selling commissions and dealer manager fees), if any, reduced for the full amounts paid for share repurchases pursuant to any share repurchase program, if any, for such class.

- "Gross Asset Value" means, with respect to any date, the sum of the values of all of our assets (excluding cash) as used in determining net asset value pursuant to our valuation policy as of such date.

- The High Water Marks that will apply to the company's incentive fee calculation for the year ending December 31, 2024, will be $36.67 for our Class FA shares, $33.57 for our Class A shares, $33.64 for our Class T shares, $33.31 for our Class D shares, $34.06 for our Class I shares and $37.25 for Class S shares. These High Water Mark values are based on the net asset value of each share class as of December 31, 2023.

We pay the Manager and the Sub-Manager a fee for their services under the Management Agreement and the Sub-Management Agreement consisting of two components: a base management fee and a total return incentive fee. We pay each of the Manager and the Sub-Manager 50% of the total base management fee and total return incentive fee payable under the Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement. We believe that this fee structure benefits shareholders by aligning the compensation of both the Manager and the Sub-Manager with overall company performance. Therefore, the cost of both the base management fee and the incentive fee is ultimately borne by our shareholders.

Base Management Fee

The base management fee is calculated for each share class at an annual rate of (i) for the non-founder shares, 2% of the product of (x) our average gross assets and (y) the ratio of non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital, in each case excluding cash, and will be payable monthly in arrears. For purposes of this calculation, "average gross assets" means the arithmetic average of our Gross Asset Value as of the last day of (1) a calendar month and (2) the immediately preceding calendar month. The determination of gross assets will reflect changes in the fair market value of our assets, which will not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation. Average Adjusted Capital of an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable month. The base management fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

Total Return Incentive Fee

The total return incentive fee is based on the Total Return to Shareholders for each share class in any calendar year, payable annually in arrears. We will accrue (but not pay) the total return incentive fee on a quarterly basis, to the extent that it is earned, and will perform a final reconciliation at completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee may be reduced or deferred by the Manager and the Sub-Manager under the Management Agreement and the Expense Support and Conditional Reimbursement Agreement.

The total return incentive fee for each share class is calculated as follows:

- No total return incentive fee will be payable in any calendar year in which the annual Total Return to Shareholders of a particular share class does not exceed 7%. We refer to this as the annual preferred return.

- As it relates to our non-founder shares, all of our Total Return to Shareholders with respect to each particular share class of non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "non-founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the "non-founder catch up". It is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular class once the Total Return to Non-founder Shareholders of such class exceeds 8.75% in any calendar year.

- As it relates to founder shares, all of our Total Return to Founder Shareholders with respect to each particular share class of founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the "founder catch up". It is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders of a particular share class of founder shares once the Total Return to Founder Shareholders of such class exceeds 7.777% in any calendar year.

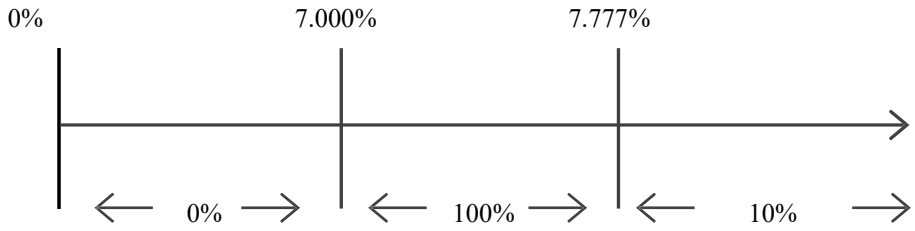
- For any quarter in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for non-founder shares, 20% of the Total Return to Non-founder Shareholders of a particular class, and for founder shares, 10% of the Total Return to Founder Shareholders, in each case because the annual preferred and relevant catch ups will have been achieved.

- The High Water Marks that will apply to the company's incentive fee calculation for the year ending December 31, 2024, will be $36.67 for our Class FA shares, $33.57 for our Class A shares, $33.64 for our Class T shares, $33.31 for our Class D shares, $34.06 for our Class I shares and $37.25 for Class S shares. These High Water Mark values are based on the net asset value of each share class as of December 31, 2023.

For purposes of calculating the Total Return to Shareholders, the change in our net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the company since inception, adjusted for any special distributions resulting from the sale of our assets, provided such adjustment is approved by our board of directors. If, as of each calendar year end, our net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in our net asset value for such share class in excess of the High Water Mark, and (B) if our net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in our per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in our per share net asset value will be included the calculation of Total Return to Shareholders for such share class.

The following are graphical representations of the calculation of the total return incentive fee:

Total Return Incentive Fee for Founder Shares
(Expressed as a percentage of Average Adjusted Capital)



Percentage of Total Return to Founder Shareholders of a particular share class Allocated to Annual Total Return Incentive Fee

Example of the total return incentive fee:

Example 1 – Total return incentive on annual total return

Scenarios expressed as a percentage of Average Adjusted Capital	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Distribution rate for the year (1)	4.00%	4.50%	4.50%	4.50%
Starting net asset value for the year	$ 24.75	$ 24.75	$24.75	$ 24.75
High Water Mark	$ 25.00	$ 25.00	$26.00	$ 26.00
Year end net asset value	$ 25.12	$ 25.43	$25.49	$ 26.78
Net asset value growth for the year	1.50%	2.75%	3.00%	8.20%
Net asset value growth for the year (compared to High Water Mark) (2)	0.48%	1.72%	0.00%	3.00%
Total Return to Founder Shareholders of a particular share class	5.500%	7.250%	7.500%	12.700%
Total Return to Founder Shareholders of a particular share class for the fee calculation (1+2)	4.485%	6.223%	4.500%	7.500%
Breakpoint incentive fee (maximum of 0.777%) between 7% and 7.777%	0.000%	0.000%	0.000%	(0.500%)
Incentive fee (10% above 7.777%)	0.000%	0.000%	0.000%	0.000%
Total Incentive Fee earned (%)	0.000%	0.000%	0.000%	(0.500%)
Average Adjusted Capital for that share class in the calendar year	$100,000,000	$100,000,000	$100,000,000	$100,000,000
Total Incentive Fee earned ($)	—	—	—	$500,000

Scenario 1 – Total Return Incentive Fee

Total Return to Founder Shareholders does not exceed the 7.00% preferred return rate, therefore there is no incentive fee payable for Founder Shareholders.

Scenario 2 – Total Return Incentive Fee

The year end net asset value is greater than the High Water Mark. However, the Total Return to Founder Shareholders for the fee calculation does not exceed the 7.00% preferred return rate. Therefore, there is no incentive fee payable for Founder Shareholders.

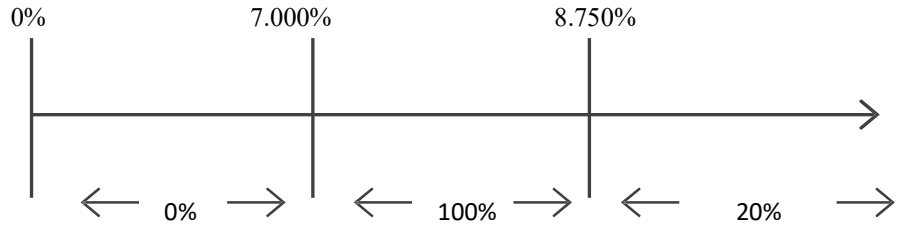
Scenario 3 – Total Return Incentive Fee

Although the net asset value has increased for the calendar year, the year end net asset value is less than the High Water Mark. Therefore, there is no increase in the net asset value for the calculation of the Total Return to Founder Shareholders. The Total Return to Founder Shareholders for the fee calculation does not exceed the 7.00% preferred return rate. Therefore, there is no incentive fee payable for Founder Shareholders.

Scenario 4 – Total Return Incentive Fee

The net asset value has increased for the calendar year and the year end net asset value is greater than the High Water Mark by 3.0%. Therefore, Total Return to Founder Shareholders for the fee calculation is greater than the 7.00% preferred return rate and the year end net asset value is greater than the High Water Mark. Therefore, an incentive fee of $500,000 is earned for this calendar year for Founder Shareholders.

Total Return Incentive Fee for Non-Founder Shares
(Expressed as a percentage of Average Adjusted Capital)



Percentage of Total Return to Non-Founder Shareholders of a Particular Share Class Allocated to Annual Total Return Incentive Fee

Example of the total return incentive fee:

Example 1 – Total return incentive on annual total return

Scenarios expressed as a percentage of Average Adjusted Capital	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Distribution rate for the year (1)	4.00%	4.50%	4.50%	4.50%
Starting net asset value for the year	$ 24.75	$ 24.75	$ 24.75	$ 24.75
High Water Mark	$ 25.00	$ 25.00	$ 26.00	$ 26.00
Year end net asset value	$ 25.12	$ 25.43	$ 25.49	$ 26.78
Net asset value growth for the year	1.50%	2.75%	3.00%	8.20%
Net asset value growth for the year (compared to High Water Mark) (2)	0.48%	1.72%	0.00%	3.00%
Total Return to Non-founder Shareholders of a particular share class	5.500%	7.250%	7.500%	12.700%
Total Return to Non-founder Shareholders of a particular share class for the fee calculation (1+2)	4.485%	6.223%	4.500%	7.500%
Breakpoint incentive fee (maximum of 1.75%)	0.000%	0.000%	0.000%	(0.500%)
Incentive fee (20% above 8.75%)	0.000%	0.000%	0.000%	0.000%
Total Incentive Fee earned of a particular share class (%)	0.000%	0.000%	0.000%	(0.500%)
Average Adjusted Capital for that share class in the calendar year	$100,000,000	$100,000,000	$100,000,000	$100,000,000
Total Incentive Fee earned ($)	—	—	—	$500,000

Scenario 1 – Total Return Incentive Fee

Total Return to Non-founder Shareholders of a particular share class does not exceed the 7.00% preferred return rate, therefore there is no incentive fee payable for such share class.

Scenario 2 – Total Return Incentive Fee

The year end net asset value is greater than the High Water Mark. However, the Total Return to Non-founder Shareholders of a particular share class for the fee calculation does not exceed the 7.00% preferred return rate. Therefore there is no incentive fee payable for such share class.

Scenario 3 – Total Return Incentive Fee

Although the net asset value has increased for the calendar year, the year end net asset value is less than the High Water Mark. Therefore, there is no increase in the net asset value for the calculation of the Total Return to Non-founder Shareholders of a particular share class. The Total Return to Non-founder Shareholders for such share class for the fee calculation does not exceed the 7.00% preferred return rate. Therefore, there is no incentive fee payable for such share class.

Scenario 4 – Total Return Incentive Fee

The net asset value has increased for the calendar year and the year end net asset value is greater than the High Water Mark by 3.0%. Therefore, Total Return to Non-founder Shareholders of a particular share class for the fee calculation is greater than the 7.00% preferred return rate and the year end net asset value is greater than the High Water Mark. Therefore, an incentive fee of $500,000 is earned for this calendar year for such share class.

Because each share class will have a separate net asset value per share, each share class may meet a different threshold (the preferred return, the breakpoint or the High Water Mark) in the same year. Because of the structure of the total return incentive fee, it is possible that we may pay such fees in a calendar year where there is a decline in the value of our assets. For example, if we generate Total Return to Shareholders of a particular share class in excess of the 7.00% on Average Adjusted Capital for a calendar year, we will pay the applicable incentive fee even if there is a decline in the value of our assets in the calendar year. As a result, the Manager may be entitled to receive an incentive fee based on a net asset value that is lower than what a shareholder may have paid for his or her shares. The Manager will not be under any obligation to reimburse us for any part of the incentive fee it receives that is based on prior period results that we never received as a result of any borrower's default or a subsequent realized loss of our portfolio.

The fees that are payable under the Management Agreement for any partial period will be appropriately prorated. The fees are calculated using detailed policies and procedures approved by the Manager and our board of directors, including a majority of the independent directors, and such policies and procedures are consistent with the description of the calculation of the fees set forth above.

The Manager may elect to defer or waive all or a portion of the fees that would otherwise be paid to it only upon the consent of the Sub-Manager, in addition to any portion of such fees reduced or deferred pursuant to the Expense Support and Conditional Reimbursement Agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Expense Support and Conditional Reimbursement Agreement." Any portion of a fee not taken as to any quarter or year will be deferred without interest and may be taken in any such other quarter prior to the occurrence of a liquidity event as the Manager may determine (upon the written consent of the Sub-Manager) upon notice to us.

Payment of Our Expenses

Our primary operating expenses are the payment of base management fees and total return incentive fees and other expenses under the Management Agreement and Sub-Management Agreement and other expenses necessary for our operations. Our management fee will compensate the Manager and the Sub-Manager for their work identifying, evaluating, negotiating, executing, monitoring and servicing our assets, as applicable. We also pay fees and expenses to the Administrator and the Sub-Administrator for the administrative services they provide under the Administrative Services Agreement and the Sub-Administration Agreement, respectively, in an amount equal to the lesser of the actual cost or the amount that we would be required to pay for comparable administrative services in the same geographic location.

Subject to the limitations on reimbursement of the Manager in the Management Agreement and any reduction or deferral of amounts required to be reimbursed pursuant to the Expense Support and Conditional Reimbursement Agreement, we will,

directly or through reimbursement to the Manager or Sub-Manager, bear all other expenses of our operations and transactions, including (without limitation) fees, costs, expenses, liabilities and obligations relating to:

- cumulative organization and offering expenses relating to offerings of our shares, subject to limitations included in the Management Agreement, including, without limitation, fees and expenses associated with marketing efforts;
- effecting sales of shares and other securities;
- management fees;
- fees payable to third parties relating to, or associated with, due diligence, investment banking fees, professional fees, legal fees, organizing, acquiring, consummating, financing, refinancing, restructuring, hedging, taking us or our assets public or private, including fees and expenses associated with performing due diligence reviews of prospective acquisitions, including, subject to our investment policy, those opportunities not consummated (including legal, accounting, auditing, insurance, travel, meals and entertainment, consulting, brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination and other fees and expenses);
- valuing assets, including expenses and fees payable to third parties with respect to the valuation of our investments;
- fees, costs, expenses, liabilities, and obligations attributable to selling, disposing of or liquidating businesses or investments, including expenses and fees payable to third parties in connection with identifying and evaluating purchasers, and negotiating and finalizing terms of a sale, disposition or liquidation;
- business expenses, including expenses and fees associated with the holding of or operating a business or owning its assets;
- transfer agent fees;
- fees, costs, and expenses associated with the management, advising, operating, holding of our assets, including legal, accounting (to the extent not handled under the Administrative Services Agreement), custodian, depositary, auditing, insurance (including directors and officers liability insurance), travel, meals and entertainment, litigation and indemnification costs and expenses, judgments and settlements, consulting, brokerage, finders', financing, appraisal, Bloomberg listing, pricing, data, marketing and similar services, investment banking fees, filing, printing, title, transfer, registration and other fees and expenses (including fees, costs, and expenses associated with the preparation or distribution of our financial statements, tax returns, tax estimates, and Schedule K-1s or any other administrative, regulatory or other related reporting or filing), our compliance and reporting obligations, and oversight;
- federal and state registration fees;
- federal, state and local taxes;
- independent directors' fees and expenses;
- costs of proxy statements, shareholders' reports and notices;
- fidelity bond, directors and officers/errors and omissions liability insurance and other insurance premiums;
- direct costs such as printing, mailing, long distance telephone, and staff;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under applicable federal and state securities laws;
- brokerage commissions for our assets; and
- all other expenses incurred by the Manager and the Sub-Manager, in performing its obligations subject to the limitations included in the Management Agreement.

Expenses for the following items shall not be reimbursed:

- overhead, rent or depreciation, utilities, capital equipment, and other administrative items of the Manager; and
- salaries, fringe benefits and other administrative items incurred or allocated to any executive officer or board member of the Manager or the Sub-Manager (or any individual performing such services), any executive officer or board member of the company who is also an executive officer, board member of employee of the Manager or the Sub-Manager, or a holder of 10% or greater equity interest in the Manager or the Sub-Manager (or any person having the power to direct or cause the direction of the Manager or the Sub-Manager, whether by ownership of voting securities, by contract or otherwise).

The Manager is responsible for the payment of the company's cumulative organization and offering expenses to the extent they exceed (A) 1.0% of the cumulative gross proceeds from any of our private offerings and (B) 1.5% of the cumulative gross proceeds from this offering or our other public offerings, in each case, without recourse against or reimbursement by the company. Notwithstanding the foregoing, the company shall reimburse the Manager for organization and offering expenses it may incur on the company's behalf but only to the extent that (1) the total amount of all cumulative organization and offering expenses is reasonable and (2) solely in connection with this offering, the reimbursement would not cause the selling commissions, any dealer manager fees, the distribution and shareholder servicing fees and the organization and offering expenses borne by the company to exceed 15.0% of gross proceeds from this offering pursuant to the relevant registration statement as of the date of the reimbursement. The Manager's obligation to pay the company's organization and offering expenses shall be calculated on a cumulative basis at the time such organization and offering expenses are due and payable under the Management Agreement, as compared to the cumulative gross proceeds from this offering or such other offerings at such time.

Indemnification

The Management Agreement provides that, absent negligence or misconduct in the performance of the Manager's or the Sub-Manager's duties or obligations under the Management Agreement and subject to the limitations below, the Manager and/or the Sub-Manager, as applicable, and their officers, managers, partners, members, agents, employees, controlling persons, shareholders and any other person or entity affiliated with them, are entitled to indemnification by us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) or by reason of any pending, threatened or complete action, suit, investigation or other proceeding (including an action or suit by or in the right of the company or our security holders, as specifically provided in the Management Agreement) arising out of or otherwise based upon the rendering of the Manager's and the Sub-Manager's services under the Management Agreement and the Sub-Management Agreement, as applicable. Notwithstanding the above, the Management Agreement and the LLC Agreement provide that we shall not indemnify or hold harmless the Manager or any of its affiliates for any loss or liability suffered by us unless all of the following conditions are met:

- the party seeking exculpation or indemnification has determined in good faith that the course of action leading to the loss or liability was in our best interests;
- the party seeking exculpation or indemnification was acting on our behalf or providing services to us;
- the loss or liability was not the result of negligence or misconduct; and
- the indemnification or agreement to hold harmless is recoverable only out of our net assets and not from our shareholders.

The Management Agreement also provides that the Manager shall indemnify us (and our officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with us) for losses that we (and our officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with us) may sustain primarily as a result of the Manager's willful misfeasance, bad faith, gross negligence or reckless disregard for its duties under the Management Agreement or applicable law, including without limitation, the federal and state securities laws.

Notwithstanding the above, the Management Agreement prohibits the indemnification of the party seeking exculpation or indemnification for liabilities or expenses arising from or out of an alleged violation of state or federal securities laws unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular party seeking exculpation or indemnification; or

- a court of competent jurisdiction approves a settlement of the claims against the particular indemnitee and finds that indemnification of the settlement and related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authorities in states in which the securities were offered as to indemnification for violations of securities law.

Organization of the Manager

The Manager is a Delaware limited liability company. The principal executive offices of the Manager are located at 450 South Orange Avenue, Suite 1400, Orlando, FL 32801-3336.

Investment in Us by the Manager

As of March 28, 2025, the Manager and its affiliates owned 349,791 Class FA shares with a total estimated value of approximately $13,883,794 million based on the February 28, 2025 net asset value per share of our Class FA shares.

Sub-Management Agreement

Levine Leichtman Strategic Capital, LLC serves as the Sub-Manager pursuant to the Sub-Management Agreement with the company and the Manager. Pursuant to the Sub-Management Agreement, the Sub-Manager assists and consults with the Manager in fulfilling certain of the services the Manager is obligated to provide us under the Management Agreement.

Services under the Sub-Management Agreement

Under the terms of the Sub-Management Agreement, the Sub-Manager will, among other things:

- serve as an advisor to the Manager and to us, as directed by the Manager, and provide support in connection with certain of the Manager's activities to be performed pursuant to the Management Agreement;

- provide research and thought leadership with regards to our business and acquisition policies and business holdings, including strategic advice on our operational activities;

- investigate, select, and, on behalf of the Manager, engage and conduct business with such persons as the Sub-Manager deems necessary to the proper performance of its obligations under the Sub-Management Agreement, including but not limited to consultants, accountants, correspondents, lenders, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, banks, securities investment advisers, mortgagors, and any and all agents for any of the foregoing, including affiliates of the Sub-Manager, and persons acting in any other capacity deemed by the Sub-Manager necessary or desirable for the performance of any of the foregoing services, including but not limited to entering into contracts in the name of the company with any of the foregoing;

- consult with our officers and board of directors and, as necessary, furnish our board of directors with advice and recommendations with respect to asset acquisitions and dispositions consistent with our business strategy and policies and in connection with any borrowings proposed to be undertaken by us;

- (a) locate, analyze, perform due diligence on and select potential assets; (b) structure and negotiate the terms and conditions of transactions pursuant to which asset acquisitions and dispositions will be made; (c) make asset acquisitions and dispositions on our behalf in compliance with our business strategy and policies; and (d) arrange for financing and refinancing and make other changes in the asset or capital structure of, and dispose of, reinvest the proceeds from the sale of, or otherwise deal with asset acquisitions;

- furnish us and/or the Manager, as applicable, with advice and recommendations with respect to the strategic direction of the company, acquisition opportunities, communications with existing investors and proposed financings to be undertaken by us;

- service and monitor our assets, whether such assets are held directly or indirectly, including, but not limited to, the provision of operational assistance and serving on the boards of directors of our majority-owned subsidiaries;

- upon reasonable request of our board of directors or the Manager, provide us and/or the Manager with reports regarding prospective business opportunities and the strategic direction to be taken by us;

- upon reasonable request of our board of directors or the Manager, make reports to our board of directors of the Sub-Manager's performance of services to the Manager and us under the Sub-Management Agreement and the Sub-Administration Agreement; provided, however, that the Sub-Manager has the right to reasonably request the Manager make a similar report to the Sub-Manager regarding its performance of services to the company under the Management Agreement or Administrative Services Agreement;

- provide the Manager and us with such other management, research and related services as the Manager and/or we may, from time to time reasonably require in deploying our funds;

- support our capital raising efforts, including without limitation, to be reasonably available to support any placement agent's or dealer manager's marketing, syndicate building and placement process, it being understood that such placement agent or dealer manager will lead all day-to-day capital raising efforts and the Sub-Manager will assist in high leverage sales opportunities to be mutually agreed upon;

- provide reasonable sales and due diligence support as reasonably requested by the placement agent or dealer manager, including, as reasonably required, onsite sales education for wholesalers at their location or field visits with wholesalers, key broker-dealer or registered investment advisor accounts;

- participate in the fair valuation process for our acquisitions pursuant to valuation policies and procedures approved by our board of directors or a committee thereof, including making supportable recommendations of fair values to the Manager for all acquisitions for which publicly observable prices are not available;

- participate in the review of draft public financial statements and registration statements to ensure that the information presented regarding the Sub-Manager, its affiliates and our underlying businesses is accurate and not misleading and to complete agreed-upon disclosure certifications; and

- upon reasonable request of the Manager, participate in presentations to: (a) dealer manager or placement agent wholesaling personnel; (b) broker-dealer and registered investment adviser and other distribution intermediaries road shows; (c) educational forums; (d) due diligence review programs conducted by third-party evaluators and due diligence officers of broker-dealers; and (e) other marketing events and forums to facilitate the company's fund raising efforts.

Officers and personnel of the Sub-Manager who provide services to us must comply with our code of business conduct, including the conflicts of interest policy included in the code of business conduct, which prohibits such officers and personnel from engaging in any transaction that involves an actual conflict of interest with us without the approval of our board of directors. The Sub-Manager has a fiduciary responsibility to us pursuant to the Sub-Management Agreement, which, under Delaware law, includes the duties of care, good faith and fair dealing.

Effectiveness of the Sub-Management Agreement

The Manager has engaged the Sub-Manager, Levine Leichtman Strategic Capital, LLC, under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Sub-Manager is registered as an investment adviser under the Advisers Act. The Sub-Management Agreement was initially approved by our board of directors and became effective on February 7, 2018. Unless earlier terminated as described below, the Sub-Management Agreement will automatically be extended concurrently with the Management Agreement and upon approval by a majority of our independent directors. Most recently, on November 6, 2024, our board of directors, including a majority of our independent directors, approved the renewal of the Sub-Management Agreement for an additional one-year term through February 7, 2026, subject to earlier termination in accordance with its terms.

Termination of the Sub-Management Agreement

The Sub-Management Agreement may be terminated at any time, without the payment of any penalty, (i) by the Manager for cause, (ii) upon a vote by our board of directors requiring the company to terminate the Sub-Management Agreement, by the Manager upon 120 days written notice to the Sub-Manager, or (iii) by the Sub-Manager upon 120 days written notice to the company and the Manager. In the event that the Sub-Manager terminates the Sub-Management Agreement without cause and provides 120 days prior written notice to us pursuant to the Sub-Management Agreement, the Sub-Manager shall pay all reasonable expenses that we incur as a direct result of the Sub-Manager's termination, beginning on the first calendar day following the effective date of termination. With respect to the termination or non-renewal of the Sub-Management Agreement, "cause" is defined as (a) any fraud, criminal conduct, willful misconduct or willful breach of fiduciary duty by the Sub-Manager as determined by a court of competent jurisdiction to the extent our board of directors determined that such conduct has materially and adversely affected us, (b) a material breach of the Sub-Management Agreement of any nature whatsoever by the Sub-

Manager, which breach is not cured within 90 days of notice given to the Sub-Manager specifying the nature of the alleged breach or (c) the Sub-Manager assigns the Sub-Management Agreement or a Sub-Manager Change of Control Event occurs and such assignment or Sub-Manager Change of Control Event, as applicable, does not constitute a Permitted Sub-Manager Assignment. "Criminal conduct" includes a misappropriation of funds committed by the Sub-Manager or an Affiliate thereof with respect to us or if a member of the senior management team of the Manager whose services are material to us has been convicted or entered a plea of guilt or *nolo contendere* of any felony or a violation of any federal or state securities laws. "Permitted Sub-Manager Assignment" means the assignment of the Sub-Management Agreement by the Sub-Manager or the occurrence of a Sub-Manager Change of Control Event, in each case after obtaining our consent, which consent shall be approved by a majority of our independent directors. "Sub-Manager Change of Control Event" means (i) a sale, merger, equity issuance or similar transaction, whether directly or indirectly, involving the Sub-Manager or its equity holders in which the indirect and direct equity holders of the Sub-Manager immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors or managers of the surviving entity, (ii) the sale by the Sub-Manager of all or substantially all of the Sub-Manager's assets in one transaction or in a series of related transactions, or (iii) any transaction or combination of transactions as a result of which the person(s) in control of the Sub-Manager, whether directly or indirectly, as of the date of the Sub-Management Agreement cease to be in control of the Sub-Manager; provided, however, (a) a Sub-Manager Change of Control Event shall not be deemed to have occurred, if such transaction involves a sale, transfer or similar transaction from any direct or indirect equity holder(s) of the Sub-Manager as of the date of the Sub-Management Agreement to another direct or indirect equity holder(s) of the Sub-Manager as of the date of the Sub-Management Agreement, or (b) as a result of a change in the executive officers of the Manager.

If the Sub-Management Agreement is terminated or not renewed, the Manager will pay the Sub-Manager accrued and unpaid fees and expense reimbursements earned prior to termination or non-renewal of the Management Agreement within 90 days after the effective date of such termination or non-renewal.

Pursuant to the Sub-Management Agreement, in the event the Management Agreement is terminated (i) by the company for cause (as defined above) or (ii) due to the Manager's inability to perform its duties as manager under the Management Agreement due to bankruptcy, insolvency, reorganization, receivership or similar situation, the Sub-Manager shall attorn to the company, and the Sub-Management Agreement shall continue in full force and effect as a direct management agreement between the company and the Sub-Manager upon all of the terms and conditions set forth in the Sub-Management Agreement and the compensation provisions of Section 3 of the Management Agreement shall be incorporated into the Sub-Management Agreement.

Pursuant to the Sub-Management Agreement, if (i) the company terminates or does not renew the engagement of the Manager under the Management Agreement other than for cause (as defined in the Sub-Management Agreement) or (ii) the company terminates or does not renew the engagement of the Sub-Manager under the Sub-Management Agreement other than for cause, the terminated party shall promptly notify the other party hereto in writing of such termination or non-renewal. The non-terminated party, upon receiving written notice from the terminated party, shall promptly resign by sending written notice to the company of its intent to terminate the Management Agreement or the Sub-Management Agreement, as applicable, 120 days from the company's receipt of such notice, which notice shall be sent by the non-terminated party no later than five business days following its receipt of the terminated party's notice. Upon the effectiveness of such resignation, neither the non-terminated party nor the terminated party nor any of their respective successors or assigns (by merger, consolidation, purchase of assets or similar transaction) or successor or assigns of any of their affiliates (as such term is defined under applicable SEC rules, including by merger, consolidation, purchase of assets or similar transaction) shall serve the company in any capacity, directly or indirectly, for a period of ten years; provided, however, if the non-terminated party does not resign as required by the Sub-Management Agreement, the company shall terminate the Management Agreement or the Sub-Management Agreement, as applicable, and shall not hire or engage the non-terminated party or any of its successors or assigns (by merger, consolidation, purchase of assets or similar transaction) or successors or assigns of any of its affiliates (as such term is defined under applicable SEC rules, including by merger, consolidation, purchase of assets, or similar transaction) in any capacity, directly or indirectly, for a period of ten years. Each of the Manager and the Sub-Manager agree to vigorously contest any such not for cause termination of the other party.

The Sub-Management Agreement shall not be assigned by the Sub-Manager other than pursuant to a Permitted Sub-Manager Assignment. The Sub-Management Agreement shall not be assigned by us or the Manager without the prior written consent of the Sub-Manager, except (i) in the case of assignment by us, to an organization which is a successor (by merger, consolidation, purchase of assets, or similar transaction) to us, in which case such successor organization shall be bound under the Sub-Management Agreement and by the terms of such assignment in the same manner as we are bound under the Sub-Management Agreement, or (ii) in the case of the Manager, in the event of a Permitted Manager Assignment of the Sub-Management Agreement, in which case such successor organization shall be bound under the Sub-Management Agreement and by the terms of such assignment in the same manner as the Manager is bound under the Sub-Management Agreement. "Permitted Manager Assignment of the Sub-Management Agreement" means the assignment of the Sub-Management Agreement by the Manager or the occurrence of a Manager Change of Control Event, in each case after obtaining our consent, which consent shall be approved by a majority of our independent directors. "Manager Change of Control Event" means (i) a sale, merger, equity

issuance or similar transaction, whether directly or indirectly, involving the Manager or its equity holders in which the indirect and direct equity holders of the Manager immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors or managers of the surviving entity, (ii) the sale by the Manager of all or substantially all of the Manager's assets in one transaction or in a series of related transactions, or (iii) any transaction or combination of transactions as a result of which the person(s) in control of the Manager, whether directly or indirectly, as of the date of the Sub-Management Agreement cease to be in control of the Manager; provided, however, (a) a Manager Change of Control Event shall not be deemed to have occurred, if such transaction involves a sale, transfer or similar transaction from any direct or indirect equity holder(s) of the Manager as of the date of the Sub-Management Agreement to another direct or indirect equity holder(s) of the Manager as of the date of the Sub-Management Agreement, or (b) as a result of a change in the executive officers of the Manager.

Sub-Management Fees

The Sub-Management Agreement provides that the Sub-Manager will receive 50% of the base management fees and total return incentive fees payable under the Management Agreement, subject to any reduction or deferral of any such fees pursuant to the terms of the Expense Support and Conditional Reimbursement Agreement. Such fees are payable by the company to the Sub-Manager on a monthly basis in arrears. Any deferral, waiver or other modification of the fees to be paid by the company (including, without limitation, the manner and timing by which such fees are paid or payable by the company) will require the prior written consent of the Sub-Manager.

Transaction Fees

The Sub-Manager may charge our businesses transaction fees including, without limitation, investment banking fees, financing fees, capital fees, arrangement fees, structuring fees, acquisition advisory fees, disposition fees, liquidation fees, break-up fees and other similar fees in connection with services customarily performed in connection with the management of our businesses and therefore our shareholders may be indirectly subject to such fees (except that no such transaction fees were charged on our acquisition of the initial businesses). Pursuant to the Sub-Management Agreement, the Sub-Manager is entitled to transaction fees, which, per calendar year, are limited to:

- Up to $1.5 million if the company has less than $300 million of total assets. Any transaction fees received by the Sub-Manager in excess of $1.5 million, if we have less than $300 million of total assets, shall be paid to the company.

- Up to $2.0 million if the company has greater than $300 million but less than $500 million of total assets. Any transaction fees received by the Sub-Manager in excess of $2.0 million, if we have $300 million or greater of total assets but less than $500 million of total assets, shall be paid to the company.

- Up to $2.5 million if the company has greater than $500 million but less than $750 million of total assets. Any transaction fees received by the Sub-Manager in excess of $2.5 million, if we have $500 million or greater of total assets but less than $750 million of total assets, shall be paid to the company.

- Up to $3.0 million if the company has greater than $750 million but less than $1 billion of total assets. Any transaction fees received by the Sub-Manager in excess of $3.0 million, if we have $750 million or greater of total assets but less than $1.0 billion of total assets, shall be paid to the company.

- Up to $3.5 million if the company has greater than $1 billion of total assets. Any transaction fees charged to businesses in excess of $3.5 million shall be paid to the company.

On a quarterly basis, our board of directors receives a report of all transaction fees charged to our businesses by the Sub-Manager, including the reasonable details of services actually performed for such fees. Prior to any transaction fee that individually or as a series of related expenses exceeds $100,000 being charged to any of our businesses, the Sub-Manager shall obtain the approval of a majority of our board of directors, including a majority of the independent directors.

Payment of Our Expenses

We may reimburse the Sub-Manager for certain transactional expenses (e.g. research costs, due diligence costs, professional fees, legal fees and other related items) related to businesses that we acquire as well as transactional expenses related to deals that do not close, often referred to as "broken deal costs." Any such broken deal costs will be allocated in the proportion set forth in the company's allocation policy.

The Sub-Manager assumes no obligation with respect to, and is not be responsible for, our expenses or the expenses of the Manager. The Sub-Manager will pay all expenses incurred by it in connection with the activities it undertakes to meet its

obligations under the Sub-Management Agreement. The Sub-Manager will be reimbursed by us to the same extent as such expenses would be reimbursable to the Manager under the Management Agreement had such expenses been incurred by the Manager. To the extent that we or the Manager requests the Sub-Manager in writing to incur any expenses that would not otherwise be reimbursable by us, the Manager will reimburse the Sub-Manager for such expenses, including, but not limited to, the Sub-Manager's out of pocket marketing expenses related to sourcing acquisition opportunities.

During the term of the Sub-Management Agreement, when and to the extent personnel of the Sub-Manager are engaged in providing the management services set forth in the Sub-Management Agreement, the salaries, fringe benefits, and other administrative items incurred or allocated to all personnel of the Sub-Manager, and all expenses of such personnel related to overhead, rent or depreciation, utilities, capital equipment, and other administrative items allocable to the provision of such services and assistance, shall be provided and paid for by the Sub-Manager and not by the Manager or the company.

We will directly bear and reimburse the Manager and the Sub-Manager, as the case may be, all expenses of our operations and transactions, including (without limitation) fees, costs, expenses, liabilities and obligations relating to the company's activities, acquisitions, dispositions, financings and business (to the extent not borne or reimbursed by a subsidiary of the company or a potential acquisition target), including:

- fees payable to third parties relating to or associated with due diligence, investment banking fees, professional fees, legal fees, organizing, acquiring, consummating, financing, refinancing, restructuring, hedging, taking public or private the company's assets or the company's itself, including the fees and expenses associated with performing due diligence reviews of prospective acquisitions, including, subject to the company's investment policy, those opportunities not consummated (including legal, accounting, auditing, insurance, travel, meals and entertainment, consulting, brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination and other fees and expenses);

- fees, costs and expenses associated with the management, advising, operating, holding of the company's assets, including legal, accounting, custodian, depositary, auditing, insurance (including directors and officers liability insurance), travel, meals and entertainment, litigation and indemnification costs and expenses, judgments and settlements, consulting, brokerage, finders', financing, appraisal, Bloomberg listing, pricing, data, marketing and similar services, investment banking fees, filing, printing, title, transfer, registration and other fees and expenses (including fees, costs, and expenses associated with the preparation or distribution of the company's financial statements, tax returns, tax estimates, and Schedule K-1s or any other administrative, regulatory or other company related reporting or filing), compliance, reporting and oversight;

- all fees, costs, expenses, liabilities and obligations attributable to liquidating, selling or disposing of the company's businesses or investments or the company itself, including expenses and fees in connection with identifying and evaluating purchasers, and negotiating and finalizing terms of a sale, disposition or liquidation;

- valuing assets, including expenses and fees payable to third parties with respect to the valuation of the company's investments;

- subject to the company's investment policy, all fees, costs, expenses, liabilities and obligations incurred by the Sub-Manager relating to acquisition and disposition opportunities for the company not consummated (including legal, accounting, auditing, insurance, travel, meals and entertainment, consulting, brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination and other fees and expenses);

- brokerage commissions for the company's assets; and

- all fees, costs and expenses incurred in connection with the organization, management, operation, monitoring, dissolution, liquidation and final winding-up of any special purpose vehicles authorized by the Sub-Management Agreement, as well as any organization and offering expenses (as defined in the Management Agreement), to the same extent as such expenses would be reimbursable to the Manager pursuant to the Management Agreement had such expenses been incurred by the Manager.

The Sub-Manager is responsible for the payment of 50% of the portion of the company's aggregate organization and offering expenses to the extent that they exceed (A) 1.0% of the cumulative gross proceeds from any of our private offerings and (B) 1.5% of the cumulative gross proceeds from this offering, in each case, without recourse against or reimbursement by the company. Notwithstanding the foregoing, the company shall reimburse the Sub-Manager for organization and offering expenses it may incur on the company's or the Manager's behalf but only to the extent that (1) the total amount of all organization and offering expenses is reasonable and (2) solely in connection with this offering, the aggregate reimbursement would not cause the

selling commissions, any dealer manager fees, the distribution and shareholder servicing fees and the organization and offering expenses borne by the company to exceed 15.0% of gross proceeds from this offering pursuant to the related registration statement as of the date of the reimbursement. The Sub-Manager's obligation to pay a portion of the company's organization and offering expenses shall be calculated on a cumulative basis at the time such organization and offering expenses are due and payable under the Sub-Management Agreement, as compared to the cumulative gross proceeds from this offering at such time.

Other Activities of the Sub-Manager

The Sub-Manager (including its managers, partners, shareholders (and the owners of its shareholders)), officers or employees of the Sub-Manager assume no responsibility under the Sub-Management Agreement other than to render the services called for thereunder. The Sub-Manager will provide the Manager (and the company if the Manager deems necessary or appropriate in its reasonable discretion) with prior written notice and an opportunity to review and comment on any modifications to the Sub-Manager's allocation policy that would materially or adversely impact the company, its allocation policy or any prospective or current transaction or origination opportunities for the company.

The services of the Sub-Manager to the Manager and the company are not exclusive, and, subject to any other agreements with the Manager, including the Exclusivity Agreement, the Sub-Manager may engage in any other business or render the same, similar or different services to others including, without limitation, businesses that may directly or indirectly compete with the Manager or the company, so long as its services to the Manager and the company hereunder are not impaired thereby. Subject to the Exclusivity Agreement, the Sub-Manager and its affiliates shall have the right to:

- directly or indirectly engage in or invest in any business (including, without limitation, any business activities or lines of business that are the same as or similar to those pursued by, or competitive with, the company);
- directly or indirectly do business with any client or customer of the company; and
- not present potential transactions, matters or business opportunities to the company, and to pursue, directly or indirectly, any such opportunity for itself, and to direct any such opportunity to another person, subject to the company's and the Sub-Manager's allocation policy.

Subject to the Exclusivity Agreement, nothing in the Sub-Management Agreement shall limit or restrict the right of any manager, partner, shareholder (including its shareholders and the owners of its shareholders), officer or employee of the Sub-Manager to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the middle market companies the company may own or control, subject to applicable law).

The Sub-Manager and its affiliates have the same and equal fiduciary duty to the company as it does to its various other clients and accounts. The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to the Exclusivity Agreement, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy.

Subject to the company's investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on behalf of the company).

Indemnification

The Sub-Management Agreement provides that, absent negligence or misconduct in the performance of the Sub-Manager's duties or violation of applicable law and subject to the limitations below, the Sub-Manager and its officers, managers, partners, members, agents, employees, controlling persons, shareholders and any other person or entity affiliated with them are entitled to indemnification by the Manager or us, as applicable, for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Sub-Manager's services under the Sub-Management Agreement. Notwithstanding the above, our LLC Agreement and the Sub-Management Agreement

provide that we and the Manager shall not indemnify or hold harmless the Sub-Manager or any of their affiliates for any loss or liability suffered by us or the Manager unless all of the following conditions are met:

- the party seeking exculpation or indemnification has determined in good faith that the course of action leading to the loss or liability was in the best interests of us or the Manager, as applicable;
- the party seeking exculpation or indemnification was acting on behalf of us or the Manager or providing services to us or the Manager, as applicable;
- the loss or liability was not the result of negligence or misconduct; and
- the indemnification or agreement to hold harmless is recoverable only out of the Manager's net assets or our net assets, as applicable, and not from our shareholders.

The Sub-Management Agreement provides that the Sub-Manager will indemnify the Manager and us (and our and the Manager's respective officers, managers, partners, members, agents employees, controlling persons and any other person or entity affiliated with us) for losses that we or the Manager (and our and the Manager's respective officers, managers, partners, members, agents employees, controlling persons and any other person or entity affiliated with us) may sustain primarily as a result of the Sub-Manager's willful misfeasance, bad faith, gross negligence or reckless disregard for its duties under the Sub-Management Agreement or applicable law, including without limitation, the federal and state securities laws.

Notwithstanding the above, the Sub-Management Agreement prohibits the indemnification of the Sub-Manager or its affiliates for liabilities or expenses arising from or out of an alleged violation of state or federal securities laws unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction; or
- a court of competent jurisdiction approves a settlement of the claims against the indemnitees and finds that indemnification of the settlement and related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authorities in states in which the securities were offered as to indemnification for violations of securities law.

Organization of the Sub-Manager

The Sub-Manager is a Delaware limited liability company. The principal executive offices of the Sub-Manager are located at 345 North Maple Drive, Suite 300, Beverly Hills, CA 90210.

Administrative Services

Administrative Services Agreement

The Administrative Services Agreement was initially approved by our board of directors and became effective on February 7, 2018. Most recently, on November 6, 2024, our board of directors, including a majority of our independent directors, approved the renewal of the Administrative Services Agreement for an additional one-year term through February 7, 2026, subject to earlier termination in accordance with its terms. Under the terms of the Administrative Services Agreement, the Administrator performs or oversees on our behalf the performance of various administrative services that we require. Without limiting the generality of the foregoing, the Administrator will:

- Provide administrative services to the company, including but not limited to all services provided for in the Approved Budget (as defined in the Administrative Services Agreement);
- Provide the company with office facilities and equipment, and provide clerical, bookkeeping, general ledger accounting, fund accounting and recordkeeping services, legal services, investor services and shall provide all such other services, except investment advisory services, as the Administrator, subject to review by our board of directors, shall from time to time determine to be necessary or useful to perform its obligations under the Administrative Services Agreement;
- On behalf of the company, enter into agreements and/or conduct relations with custodians, depositories, transfer agents, distribution disbursing agents, the distribution reinvestment plan administrator, shareholder servicing

agents, accountants, auditors, tax consultants, advisers and experts, investment advisers, compliance officers, escrow agents, attorneys, underwriters, managing dealer, brokers and dealers, investor custody and share transaction clearing platforms, marketing, sales and advertising materials contractors, public relations firms, investor communication agents, printers, insurers, banks, independent valuers, and such other persons in any such other capacity deemed to be necessary or desirable by the Administrator and the company;

- Furnish advice and recommendations with respect to such other aspects of the business and affairs of the company as the Administrator reasonably shall determine to be desirable; provided that nothing in the Administrative Services Agreement shall be construed to require the Administrator to, and the Administrator shall not pursuant to the Administrative Services Agreement, provide any advice or recommendation relating to the assets that the company should acquire or dispose of or any other investment advisory services to the company;

- Assist the company in the preparation of the financial and other records that the company will maintain and the preparation, printing and dissemination of reports that the company will furnish to shareholders, and, if any, reports and other materials filed with the SEC, and states and jurisdictions where any offering of the company's shares is registered and there is a duty to file information with one or more states on an ongoing basis;

- Advise and assist the company, if applicable, with respect to the Sarbanes-Oxley Act of 2002 compliance for the company and its respective subsidiaries;

- Assist the company in determining and publishing the company's net asset value, oversee and administer programs for investor relations and communications, the preparation and filing of the company's tax forms and any necessary regulatory filings, and generally oversee and monitor the payment of the company's expenses and ensure that costs and expenses are within any applicable limitations set forth in our LLC Agreement;

- From time to time, or at any time reasonably requested by our board of directors, make reports to our board of directors regarding (A) the Administrator's performance of services to the company under the terms of the Administrative Services Agreement, and (B) the Sub-Administrator's performance of services under the Sub-Administration Agreement;

- Manage marketing communications; and

- Oversee the performance of sub-administrative and other professional services rendered to the company by others.

For providing these services, facilities and personnel, we may pay third parties directly or reimburse the Administrator the costs and expenses of third parties for services provided to us. The Administrator will not be reimbursed for administrative services performed by it for our benefit. The Administrator has a fiduciary responsibility to us pursuant to the Administrative Services Agreement.

The Administrative Services Agreement shall remain in effect for one year, and thereafter shall continue automatically for successive annual periods; provided that such continuance is specifically approved at least annually by the vote of a majority of the company's independent directors. The Administrative Services Agreement shall automatically terminate upon termination of the Management Agreement. The Administrative Services Agreement may be terminated without the payment of any penalty, (i) immediately by us for cause (as described below) or (ii) by either party upon 120 days written notice. The decision to terminate or not renew the Administrative Services Agreement by us must be made by our board of directors. If the Administrative Services Agreement is terminated, we will pay the Administrator unpaid expense reimbursements, incurred prior to termination or non-renewal of the Administrative Services Agreement within 90 days after the effective date of such termination or non-renewal. With respect to the termination of the Administrative Services Agreement, "cause" is defined as (a) any fraud, criminal conduct, willful misconduct or willful breach of fiduciary duty by the Administrator as determined by a court of competent jurisdiction to the extent that our board of directors has determined that such conduct has materially and adversely affected us; (b) a material breach of the Administrative Services Agreement of any nature whatsoever by the Administrator, which breach is not cured within 90 days of written notice given to the Administrator specifying in reasonable detail the nature of the alleged breach; or (c) the Administrator assigns the Administrative Services Agreement or an Administrator Change of Control Event occurs and such assignment or Administrator Change of Control Event, as applicable does not constitute a Permitted Administrator Assignment. "Criminal conduct" includes a misappropriation of funds committed by the Administrator or an affiliate thereof with respect to the company or if a member of the senior management team of the Administrator whose services are material to the company has been convicted or entered a plea of guilty or *nolo contendere* of any felony or a violation of any federal or state securities laws. "Permitted Administrator Assignment" means the assignment of the Administrative Services Agreement by the Administrator or the occurrence of an Administrator Change of Control Event, in each case after obtaining our consent, which consent shall be

approved by a majority of our independent directors. "Administrator Change of Control Event" means (i) a sale, merger, equity issuance or similar transaction, whether directly or indirectly, involving the Administrator or its equity holders in which the indirect and direct equity holders of the Administrator immediately prior to such transaction would own, in the aggregate, less than 50% of the total combined voting power of all classes of capital stock of the surviving entity normally entitled to vote for the election of directors or managers of the surviving entity, or (ii) the sale by the Administrator of all or substantially all of the Administrator's assets in one transaction or in a series of related transactions, or (iii) any transaction or combination of transactions as a result of which the person(s) in control of the Administrator, whether directly or indirectly, as of the date of the Administrative Services Agreement cease to be in control of the Administrator; provided, however, (a) an Administrator Change of Control Event shall not be deemed to have occurred, if such transaction involves a sale, transfer or similar transaction from any direct or indirect equity holder(s) of the Administrator as of the date of the Administrative Services Agreement to another direct or indirect equity holder(s) of the Administrator as of the date of the Administrative Services Agreement, or (b) as a result of a change in the executive officers of the Manager.

Pursuant to the Sub-Administration Agreement, the Administrative Services Agreement may not be amended, modified or waived, in whole or in part, without the prior written consent of the Sub-Administrator, which consent shall not be unreasonably withheld.

Indemnification under the Administrative Services Agreement

The Administrator and any Sub-Administrator (and their respective officers, managers, partners, members, agents, employees, controlling persons, shareholders and any other person or entity affiliated with the Administrator or Sub-Administrator) shall not be liable to the company or any of its subsidiaries, to our board of directors, or the company's or any subsidiary's members, stockholders or partners for any action taken or omitted to be taken by the Administrator or Sub-Administrator in connection with the performance of any of its duties or obligations under the Administrative Services Agreement or otherwise as an administrator of the company, concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services and for reimbursement for goods and services, and the company and its subsidiaries shall indemnify, defend and protect the Administrator and any Sub-Administrator (and their respective officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with the Administrator or Sub-Administrator, each of whom shall be deemed a third party beneficiary hereof) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the indemnified parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the company or its security holders) arising out of or otherwise based upon the performance of any of the Administrator's or Sub-Administrator's duties or obligations under the Administrative Services Agreement or otherwise as an administrator of the company. Notwithstanding the preceding sentence of this paragraph to the contrary, nothing contained herein shall protect or be deemed to protect the indemnified parties against or entitle or be deemed to entitle the indemnified parties to indemnification in respect of, any liability to the company or any of its subsidiaries, to our board of directors, or the company's or any subsidiary's members, stockholders or partners to which the indemnified parties would otherwise be subject by reason of negligence or misconduct in the performance of the Administrator's or Sub-Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under the Administrative Services Agreement.

The Administrator shall indemnify the company (and its officers, managers, partners, members, agents employees, controlling persons and any other person or entity affiliated with the company) for any losses that the company (and its officers, managers, partners, members, agents, employees, controlling persons and any other person or entity affiliated with the company) may sustain primarily as a result of the Administrator's willful misfeasance, bad faith, gross negligence or reckless disregard of its duties hereunder or violation of applicable law, including without limitation, the federal and state securities laws.

Sub-Administration Agreement

The Sub-Administration Agreement was initially approved by our board and became effective on February 7, 2018. Most recently, on November 6, 2024, our board of directors, including a majority of our independent directors, approved the renewal of the Sub-Administration Agreement for an additional one-year term through February 7, 2026, subject to earlier termination in accordance with its terms.

The Sub-Administrator will also provide certain administrative services to us under the Sub-Administration Agreement with us and the Administrator, including, but not limited to, all services provided for in the Approved Budget (as defined in the Administrative Services Agreement), assistance with general ledger accounting and fund accounting, assistance with taxes and tax filings, maintenance of required financial records, assisting the company in publishing its net asset value, fund communication support, including access to Sub-Administrator personnel, diligence, reporting information to the Administrator and generally overseeing the performance of administrative and professional services rendered to the company by others, to the extent applicable, portfolio level transfer, finance administration and back office funding mechanics, portfolio level accounting and

reporting, Schedule K-1 assistance, coordination, information and services, and any other services approved by the Administrator. The Sub-Administrator also provides us with access to personnel necessary for our business. For providing these services and personnel, we may pay third parties directly or reimburse the Sub-Administrator for the costs and expenses of third parties for services provided to us. The Sub-Administrator will not be reimbursed for administrative services performed by it for our benefit. The Sub-Administrator has a fiduciary responsibility to us pursuant to the Sub-Administration Agreement.

The Sub-Administration Agreement shall automatically terminate upon termination of the Sub-Management Agreement. See "Management—Sub-Management Agreement—Termination of the Sub-Management Agreement."

Indemnification under the Sub-Administration Agreement

The Sub-Administrator (and its respective officers, managers, partners, members, agents, employees, controlling persons, shareholders and any other person or entity affiliated with the Sub-Administrator) shall not be liable to the Administrator or any of its subsidiaries or the company or any of its subsidiaries or shareholders for any action taken or omitted to be taken by the Sub-Administrator in connection with the performance of any of its duties or obligations under the Sub-Administration Agreement, concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services, and the Administrator and its subsidiaries and/or the company, as applicable, shall indemnify, defend and protect the Sub-Administrator (and its respective officers, managers, partners, shareholders, agents, employees, controlling persons and any other person or entity affiliated with the Sub-Administrator, each of whom shall be deemed a third party beneficiary hereof) and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the indemnified parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the company or its security holders) arising out of or otherwise based upon the performance of any of the Sub-Administrator's duties or obligations under the Sub-Administration Agreement. Notwithstanding the preceding sentence of this paragraph to the contrary, nothing contained herein shall protect or be deemed to protect the indemnified parties against or entitle or be deemed to entitle the indemnified parties to indemnification in respect of, any liability to the Administrator or any of its subsidiaries or the company or any of its subsidiaries, as applicable, to which the indemnified parties would otherwise be subject by reason of negligence or misconduct in the performance of the Sub-Administrator's duties or by reason of reckless disregard in the performance of the Sub-Administrator's duties and obligations under the Sub-Administration Agreement.

The Sub-Administrator shall indemnify the Administrator and the company (and their respective officers, managers, partners, members, agents employees, controlling persons and any other person or entity affiliated with the Administrator or the company, as applicable) for any losses that the Administrator and the company (and their respective officers, managers, partners, members, agents employees, controlling persons and any other person or entity affiliated with the Administrator or the company, as applicable) may sustain primarily as a result of the Sub-Administrator's willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of its duties under the Sub-Administration Agreement or violation of applicable law, including without limitation, the federal and state securities laws.

COMPENSATION OF THE MANAGER, THE SUB-MANAGER AND THE MANAGING DEALER

We are an externally managed company and, as such, although we have a board of directors and executive officers responsible for our management, we have no direct paid employees. Two of our directors and all of our executive officers are employed by, and receive compensation from, the Manager, the Sub-Manager or their respective affiliates. The Manager and the Sub-Manager are compensated for the management services each provides under the Management Agreement and the Sub-Management Agreement, respectively. In addition, the Manager and the Sub-Manager each may engage other parties, including affiliates, to perform certain services and, in connection therewith, reallows a portion of its fees received from us to such entities. The Managing Dealer is responsible for performing services in connection with the offer and sale of our shares in this offering. The Managing Dealer will engage participating broker-dealers in connection with the sale of our shares and, in connection therewith, may reallow all or a portion of the compensation received from us to such participating brokers as described below.

The following table summarizes the compensation, reimbursements and distributions (exclusive of any distributions to which our affiliates may be entitled by reason of their purchase and ownership of shares in connection with this offering) we contemplate paying to the Manager, the Sub-Manager, the Managing Dealer and other affiliates, including amounts to reimburse their costs in providing services and for amounts advanced on our behalf, with respect to proceeds raised in our primary offering. In addition, for information concerning compensation to our independent directors, see "Management—Compensation of Independent Directors."

For purposes of illustrating these fees and expenses, we have assumed that we will sell the maximum of $1,000,000,000 in shares in this primary offering and assumes that 15% of the gross offering proceeds from this primary offering is from sales of Class A shares, 10% is from sales of Class T shares, 10% is from sales of Class D shares and 65% is from sales of Class I shares. Based on this allocation, we expect approximately $982,500,000 of the gross proceeds of the $1,000,000,000 in this primary offering will be available for acquisitions and the associated services fees and acquisition expenses, while the remaining amount will be used to pay selling commissions and dealer manager fees. The fees and expenses that we expect to pay or reimburse (except offering stage expenses) will be reviewed by our independent directors at least annually. All or a portion of the selling commissions and dealer manager fees will not be charged with regard to shares sold to certain categories of purchasers and for sales eligible for volume discounts and, in limited circumstances, the dealer manager fee may be reduced with respect to certain purchases. Although the following table represents the compensation and reimbursements we expect to pay to the Manager, the Managing Dealer and other affiliates in connection with the sale of assets and investment of the proceeds from this offering, there is no assurance our costs for these and/or other future services will remain unchanged throughout our duration. In addition, because these figures cannot be precisely calculated at this time, the actual fees payable may exceed these estimates.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount [1]
Selling commission to the Managing Dealer and participating brokers [2]	We pay the Managing Dealer a selling commission up to 6.00% of the sale price for each Class A share and up to 3.00% of the sale price for each Class T share sold in this primary offering. The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers.	Assuming we sell the maximum offering amount, all in Class A shares, the maximum amount of selling commissions payable to the Managing Dealer would be $60,000,000.
Dealer manager fee to the Managing Dealer and participating brokers [2]	We pay the Managing Dealer a dealer manager fee of up to 2.50% of the price of each Class A share and up to 1.75% of the price of each Class T share sold in this primary offering. The Managing Dealer may reallow all or a portion of such dealer manager fees to participating broker-dealers.	Assuming we sell the maximum offering amount, all in Class A shares, the maximum amount of dealer manager fees payable to the Managing Dealer would be $25,000,000.
Distribution and Shareholder Servicing Fee to the Managing Dealer	We also pay the Managing Dealer ongoing distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fees accrue daily and are paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares, a broker-dealer with a fee-based platform, or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount [1]
	reallowance. The distribution and shareholder servicing fees are ongoing fees that are allocated among all Class T and Class D shares, respectively, and are not paid at the time of purchase. We will cease paying the distribution and shareholder servicing fee with respect to Class T shares held in any particular account, and those Class T shares will convert into a number of Class A shares determined by multiplying each Class T share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class T shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class T shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class T shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those shares received as a distribution). We will also cease paying the distribution and shareholder servicing fee with respect to Class T shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class T shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class T shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class T shares that were redeemed and those Class T shares that were retained in the account. Likewise, if a portion of the Class T shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class T shares that were transferred and the Class T shares that were retained in the account. We will cease paying the distribution and shareholder servicing fee with respect to Class D shares held in any particular account, and those Class D shares will convert into a number of Class A shares determined by multiplying each Class D share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class D shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class D shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class D shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those received as a distribution). We will also cease paying the distribution and shareholder servicing fee with respect to Class D shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class D shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class D shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class D shares that were redeemed and those Class D shares that were retained in the account. Likewise, if a portion of the Class D shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and amount of underwriting compensation previously paid	

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount [1]
	will be prorated between the Class D shares that were transferred and the Class D shares that were retained in the account.	
Reimbursement to the Manager, Sub-Manager and their respective affiliates for organizational and offering expenses[3]	With respect to this offering, under the terms of the Management and Sub-Management Agreements between us and the Manager and the Sub-Manager, respectively, the Manager (and indirectly the Sub-Manager) is entitled to receive up to 1.5% of gross proceeds raised in this offering to recover cumulative organization and offering costs (other than selling commissions, dealer manager fees, and distribution and shareholder servicing fees) which have been funded by the Manager, the Sub-Manager or their respective affiliates. The Manager (and indirectly the Sub-Manager) is responsible for the payment of our organization and offering expenses to the extent that these expenses exceed 1.5% of the gross proceeds from this offering. Through the Sub-Management Agreement, the Sub-Manager is responsible for the payment of 50% of the portion of our aggregate organization and offering expenses to the extent that they exceed 1.5% of the gross proceeds from this offering, in each case, without recourse against or reimbursement by us. Notwithstanding the foregoing, we reimburse the Manager and its affiliates for organizational and offering costs only to the extent that (1) the total amount of all organizational and offering costs are reasonable and (2) solely in connection with this offering, the reimbursement would not cause the selling commissions, any dealer manager fee, the distribution and shareholder servicing fees and the other organizational and offering expenses borne by us to exceed 15.0% of the gross offering proceeds as of the date of the reimbursement. We have targeted an offering expense ratio of 1.0% for organizational and offering expenses.	Amount is not determinable at this time.
Base management fee to the Manager [4][5]	The base management fee is calculated for each share class at an annual rate of (i) for the non-founder shares of a particular class, 2% of the product of (x) our average gross assets and (y) the ratio of non-founder share Average Adjusted Capital for a particular class to total Average Adjusted Capital and (ii) for the founder shares, 1% of the product of (x) our average gross assets and (y) the ratio of outstanding founder share Average Adjusted Capital to total Average Adjusted Capital, in each case excluding cash, and will be payable monthly in arrears. The management fee for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month. The determination of gross assets will reflect changes in the fair market value of our assets, which will not necessarily equal their notional value, reflecting both realized and unrealized capital appreciation. Average Adjusted Capital of an applicable class is computed on the daily adjusted capital for such class for the actual number of days in such applicable month.	Amount is not determinable at this time.
Total Return incentive fee on income to the Manager[4][5]	The total return incentive fee is based on the Total Return to Shareholders (as defined below) for each share class in any calendar year, payable annually in arrears. We will accrue (but not pay) the total return incentive fee on a quarterly basis, to the extent that it is earned, and will perform a final reconciliation at completion of each calendar year and the total return incentive fee shall be due and payable to the Manager no later than ninety (90) calendar days following the end of the applicable calendar year. The total return incentive fee for each share class is calculated as follows: • No total return incentive fee will be payable in any calendar year in which the annual Total Return to Shareholders of a particular share class does not exceed 7%. We refer to this as the annual preferred return. • As it relates to our non-founder shares, all of our Total Return to Shareholders with respect to each particular share class of non-founder shares, if any, that exceeds the annual preferred return, but is less than or equal to 8.75%, or the "non-founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the non-founder catch up. It is intended to provide an incentive fee of 20% of the Total Return to Non-founder Shareholders of a particular class once the Total Return to Shareholders of a particular share class exceeds 8.75% in any calendar year. • As it relates to founder shares, all of our Total Return to Founder Shareholders, with respect to a particular share class of founders shares, if any, that exceeds the annual preferred return, but is less	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount [1]
	than or equal to 7.777%, or the "founder breakpoint," in any calendar year, will be payable to the Manager. We refer to this portion of the total return incentive fee as the founder catch up. It is intended to provide an incentive fee of 10% of the Total Return to Founder Shareholders once the Total Return to Founder Shareholders of a particular share class exceeds 7.777% in any calendar year. • For any quarter in which the Total Return to Shareholders of a particular share class exceeds the relevant breakpoint, the total return incentive fee of a particular share class shall equal, for non-founder shares of a particular class, 20% of the Total Return to Non-founder Shareholders of such class, and for founder shares of a particular share class, 10% of the Total Return to Founder Shareholders, in each case because the annual preferred and relevant catch ups will have been achieved. • The High Water Marks that will apply to the company's incentive fee calculation for the year ending December 31, 2024, will be $36.67 for our Class FA shares, $33.57 for our Class A shares, $33.64 for our Class T shares, $33.31 for our Class D shares, $34.06 for our Class I shares and $37.25 for Class S shares. These High Water Mark values are based on the net asset value of each share class as of December 31, 2023. For purposes of calculating the Total Return to Shareholders, the change in our net asset value is subject to a High Water Mark. The "High Water Mark" is equal to the highest year-end net asset value, for each share class of the company since inception, adjusted for any special distributions resulting from the sale of our assets, provided such adjustment is approved by our board of directors. If, as of each calendar year end, our net asset value for the applicable share class is (A) above the High Water Mark, then, for such calendar year, the Total Return to Shareholders calculation will include the increase in our net asset value for such share class in excess of the High Water Mark, and (B) if our net asset value for the applicable share class is below the High Water Mark, for such calendar year, (i) any increase in our per share net asset value will be disregarded in the calculation of Total Return to Shareholders for such share class while (ii) any decrease in our per share net asset value will be included in the calculation of Total Return to Shareholders for such share class. • "Total Return to Shareholders" for any calendar quarter is calculated for each share class as the change in the net asset value for such share class plus total distributions for such share class calculated based on the Average Adjusted Capital for such class as of such calendar quarter end. • "Average Adjusted Capital" for an applicable class is computed on the daily Adjusted Capital for such class for the actual number of days in such applicable quarter. The annual preference return of 7% and the relevant breakpoints of 8.75% and 7.777%, respectively, are also adjusted for the actual number of days in each calendar year, measured as of each calendar quarter end. • Adjusted Capital is defined as cumulative proceeds generated from sales of our shares of a particular share class (including proceeds for a distribution reinvestment plan, if any), net of sales load (upfront selling commissions and dealer manager fees), if any, reduced for (i) distributions paid to our shareholders of such class that represent return of capital on a tax basis and (ii) the full amounts paid for share repurchases pursuant to our share repurchase program, if any for such class.	
Reimbursement to the Manager and Sub-Manager and their respective affiliates for operating expenses[6]	We reimburse the Manager and the Sub-Manager and their respective affiliates for certain operating costs and expenses of third parties incurred in connection with their provision of services to us, including fees, costs, expenses, liabilities and obligations relating to our activities, acquisitions, dispositions, financings and business, subject to the terms of our LLC Agreement, the Management Agreement, the Sub-Management Agreement and the Expense Support and Conditional Reimbursement Agreement. See "Management—Management	Amount is not determinable at this time.

Type of Compensation and Recipient	Method of Computation	Estimated Maximum Dollar Amount [1]
	Agreement—Payment of Our Expenses," "Management—Sub-Management Agreement—Payment of Our Expenses" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Expense Support and Conditional Reimbursement Agreement." The Administrator and the Sub-Administrator each also each provides certain administrative services to us and we may pay third-parties directly or reimburse the Administrator and the Sub-Administrator for costs and expenses of third parties for services provided to us. The Administrator and the Sub-Administrator are not reimbursed for administrative services performed by them for our benefit. See "Management—Administrative Services—Administrative Services Agreement" and "Management—Administrative Services—Sub-Administration Agreement."	

(1) The estimated maximum dollar amounts are based on the assumed sale of the maximum primary offering as follows for the $1,000,000,000 in shares sold at current offering prices: 15% of the gross offering proceeds are from Class A shares, 10% of the gross offering proceeds are from Class T, 10% of the gross offering proceeds are from Class D shares and 65% of the gross offering proceeds are from Class I shares.

(2) All or a portion of the selling commissions and dealer manager fees will not be paid with regard to shares sold to certain categories of purchasers. In addition, selling commissions may be reduced for sales that are eligible for a volume discount. See the section of this prospectus entitled "Plan of Distribution" for additional information.

(3) As part of its payment of other organization and offering expenses, the Manager reimburses the Managing Dealer for actual, bona fide, itemized and detailed due diligence expenses incurred by it or other participating brokers in connection with this offering as well as bona fide training and education. Reimbursement is contingent upon receipt by the Managing Dealer of a detailed invoice or similar itemized statement from the participating broker that demonstrates the actual due diligence expenses incurred. The Managing Dealer may also reallow such reimbursements to the applicable participating broker-dealers as permissible.

(4) These fees may or may not be taken in whole or in part at the discretion of the Manager or the Sub-Manager. All or any part of these fees not taken as to any period shall be deferred without interest and may be taken in any other period prior to the occurrence of a liquidity event as the Manager or the Sub-Manager shall determine. Our businesses may pay transaction fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees (except that no such transaction fees were charged on our acquisition of the initial businesses). See "Management—Sub-Management Agreement—Transaction Fees."

(5) We shall pay 50% of any such fees to the Sub-Manager pursuant to the Sub-Management Agreement.

(6) To the extent such reimbursements relate to costs and expenses incurred by the Sub-Manager or its affiliates, we will pay all such reimbursements directly to the Sub-Manager.

SECURITY OWNERSHIP

The following table sets forth, as of March 28, 2025, information with respect to the beneficial ownership of our shares by:

- each person known to us to beneficially own more than 5% of any class the outstanding shares;
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. There are no shares subject to options that are currently exercisable or exercisable within 60 days of the offering. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power, based upon the information furnished to us by such shareholders, directors and executive officers.

Name and Address[1]	Number of Shares Beneficially Owned	Percentage of all Shares[2]
James M. Seneff, Jr.	220,096[3][4]	*
Arthur E. Levine	100,000[4][5]	*
Mark D. Linsz	2,617[4][6]	*
Benjamin A. Posen	2,000[4]	*
Robert J. Woody	5,297[4][7]	*
Chirag J. Bhavsar	19,079[4]	*
Tammy J. Tipton	6,014[4][8]	*
Paul W. Drury	7,350[9]	*
All executive officers and directors as a group (8 persons)	362,453	1.06%

* Represents beneficial ownership of less than 1%

(1) Unless otherwise indicated, the address of each beneficial owner is c/o CNL Strategic Capital, LLC, 450 South Orange Avenue, Suite 1400, Orlando, FL 32801-3336.

(2) Based on a total of 34,322,675 shares outstanding as of March 28, 2025.

(3) Represents 60,096 Class FA shares held of record by the Manager, CNL Strategic Capital Management, LLC, an indirect subsidiary of CNL Financial Group, LLC, which is indirectly wholly owned by Mr. Seneff. Also represents 160,000 Class FA shares held of record by CNL Strategic Capital Investment, LLC, which is indirectly controlled by Mr. Seneff.

(4) Includes common shares purchased in our private offerings.

(5) Represents 100,000 Class FA shares held of record by the Leichtman-Levine Living Trust, an affiliate of the Sub-Manager, of which Mr. Levine is an indirect beneficial owner.

(6) Represents 2,000 Class FA common shares and 617 Class A common shares.

(7) Represents 4,000 Class FA common shares and 1,297 Class A common shares.

(8) Represents 2,616 Class FA common shares, 331 Class A common shares, and 3,067 Class I common shares.

(9) Represents Class I common shares.

CONFLICTS OF INTEREST AND CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Conflicts of Interest

The Manager, the Sub-Manager and certain of their affiliates will have certain conflicts of interest in connection with the management of our business affairs including the following, which we believe encompasses all known material conflicts of interest:

- Our executive officers and certain members of our board of directors serve as director and/or officers of various entities affiliated with the Manager and the Sub-Manager, as applicable.

- The Manager, the Sub-Manager, the Administrator, the Sub-Administrator and their respective affiliates provide services to us. The Administrator and the Sub-Administrator also oversee the performance of other administrative and professional services provided to us by others, including by their respective affiliates.

- Regardless of the quality of our assets, the services provided to us or whether we pay distributions to our shareholders, the Manager and the Sub-Manager receive certain fees and expense reimbursements in connection with their services to us as the Manager and the Sub-Manager, respectively. Additionally, we may pay third parties directly or reimburse the costs or expenses of third parties paid by the Administrator and the Sub-Administrator for providing us with certain administrative services.

- The agreements between us and the Manager, the Sub-Manager or their affiliates are not arm's length agreements. In addition, as a result of the fact that we have some common management, including on our board of directors, with the Manager and the Sub-Manager, our board of directors may encounter conflicts of interest in enforcing our rights against the Manager, the Sub-Manager and their respective affiliates in the event of a default by, or disagreement with, any of the Manager, the Sub-Manager and their respective affiliates or in invoking powers, rights or options pursuant to any agreement between any of them and us.

- Our board of directors is responsible for determining the net asset value of our assets (with the assistance from the Manager, the Sub-Manager and the independent valuation firm) and, because the base management fee is payable monthly and for a certain month is calculated based on the average value of our gross assets at the end of that month and the immediately preceding calendar month, a higher net asset value or our assets would result in a higher base management fee to the Manager and the Sub-Manager.

- We value our assets monthly at fair value as determined in good faith by our board of directors based on input from the Manager, the Sub-Manager and the independent valuation firm. The determination of the average value of our gross assets reflects changes in the fair market value of our businesses. See "Determination of Net Asset Value."

- The Manager does not currently manage other clients; however, the Manager is not prohibited from doing so and the Manager may determine it is appropriate for us and one or more other clients managed in the future by the Manager or any of its affiliates to participate in an opportunity together. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. The Manager will consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs.

- The Sub-Manager and its affiliates currently manage various other clients and accounts. The Sub-Manager and its affiliates may (i) give advice and take action with respect to any of its other clients that may differ from advice given or the timing or nature of action taken with respect to us, so long as it is consistent with the provisions of the Sub-Manager's allocation policy and its obligations under the Sub-Management Agreement, and (ii) subject to the Exclusivity Agreement between the Manager and the Sub-Manager and its obligations thereunder, engage in activities that overlap with or compete with those in which the company and its subsidiaries, directly or indirectly, may engage. The company, on its own behalf and on behalf of its subsidiaries, has renounced any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for another client of the Sub-Manager or its affiliates to the extent such opportunity has been determined in good faith by the Sub-Manager not to be allocated to the company, all in accordance with the company's and the Sub-Manager's allocation policy. Certain of our officers and directors have made, and may from time to time in the future make, passive investments in private funds or other investment vehicles sponsored and/or managed by the Sub-Manager or one of its affiliates.

- Subject to the company's investment policy and its obligations under the Sub-Management Agreement, the Sub-Manager shall not have any obligation to recommend for purchase or sale any securities or loans which its principals, affiliates or employees may purchase or sell for its or their own accounts or for any other client or account if, in the opinion of the Sub-Manager, such transaction or investment appears unsuitable, impractical or undesirable for the Manager (on behalf of the company).

- The Manager and the Sub-Manager will experience conflicts of interest in connection with the management of our business affairs relating to the allocation of business opportunities by the Manager, the Sub-Manager and their respective affiliates to us and other clients. The Sub-Manager or its affiliates currently manage other clients that have a similar business strategy as us. The Sub-Manager will determine which opportunities it presents to us or another client with a similar business objective. The Sub-Manager may determine that an opportunity is more appropriate for another client managed by the Sub-Manager or any of its affiliates than it is for us and present such opportunity to the other client. In certain cases, the Sub-Manager, subject to approval by the Manager that the opportunity meets our investment objectives and final approval of such opportunity by our board of directors, may determine it is appropriate for us to participate in an acquisition opportunity alongside one or more other clients managed by the Sub-Manager or any of its affiliates. These co-opportunities may give rise to conflicts of interest or perceived conflicts of interest among us and the other clients. To the extent the Sub-Manager identifies such co-opportunities, the Sub-Manager has developed an allocation policy to ensure that we are treated fairly and equitably. The Sub-Manager and its affiliates will utilize this allocation policy to determine how to allocate opportunities that may be appropriate for us or other of the Sub-Manager's or its affiliates' clients. As part of this policy, the Sub-Manager will consider a variety of factors in making allocation decisions, including a client's stated investment objectives, scope, criteria, guidelines, business strategy and available capital for investment. As a result, the Sub-Manager and its affiliates may determine, in its discretion, that it is appropriate to allocate opportunities to other clients in whole or in part as co-opportunities. The Sub-Manager will also consider whether the transaction complies with the terms of our LLC Agreement or the partnership or limited liability company agreement of such other programs. If we invest in a general partnership or joint venture with affiliates, management fees payable in connection with such an investment will be proportional to our respective interest in the investment or the value of services provided, as applicable, and will not result in duplicate fees. Our board of directors has adopted its own allocation policy, which incorporates the Sub-Manager's allocation policy by reference. The independent directors of our board of directors will be responsible for oversight of the allocation process.

- Consistent with our allocation policy, in the event that a co-investment opportunity that the Manager has approved for potential participation does not close and the Sub-Manager and its affiliates accumulate broken deal costs in connection with the co-investment opportunity, the Sub-Manager and its affiliates will be required to allocate such broken deal costs among us and the other participating accounts. Broken deal costs will generally be allocated to us by the Sub-Manager *pro rata* based on our allocation in a proposed co-investment opportunity if our allocation in such co-investment opportunity has been determined; however, in the event that we expect to participate in a co-investment opportunity with Levine Leichtman Capital Partners VII, L.P. ("LLCP VII"), or LLCP Lower Middle Market Fund III, L.P. ("LMM III Fund") which accumulates broken deal costs and our allocation in such co-investment opportunity has not been determined, we will be allocated 5% of the broken deal costs with respect to a co-investment with LLCP VII, or 10% of the broken deal costs with respect to a co-investment with the LMM III Fund, subject to annual review by the Sub-Manager. We may similarly act as a dedicated co-investor for other private acquisition funds advised by affiliates of the Sub-Manager that are formed in the future, with our allocation percentage being determined at or prior to the time we begin pursuing co-investment opportunities with such vehicles and subject to annual review by the Sub-Manager. Additionally, on a quarterly basis, the Sub-Manager will identify third party broken deal costs for opportunities that were not presented to the Manager for prior approval but which are determined in the Sub-Manager's reasonable judgment and in a manner consistent with the Sub-Manager's fiduciary obligations to have qualified as a potential investment opportunity for us on a direct or co-investment basis (such opportunity, a "lookback broken deal"). Subject to approval by the Manager, we will reimburse the Sub-Manager for our allocable portion of third party broken deal expenses incurred in connection with a lookback broken deal. In the case of a lookback broken deal identified as an opportunity on a co-investment basis with LLCP VII or LMM III Fund, our allocable portion of such third party broken deal expenses will be 5% or 10%, respectively. Unless our board of directors approves otherwise, in no event will our portion of the aggregate lookback broken deal expenses exceed $75,000 on a calendar year basis.

- Our businesses may pay transaction fees to the Sub-Manager for services it provides to them and therefore our shareholders may be indirectly subject to such fees (except that no such transaction fees were charged on our acquisition of the initial businesses). These fees may be paid before we realize any income or gain. The Manager and the Sub-Manager may face conflicts of interest with respect to services performed for our

businesses, on the one hand, and opportunities recommended to us, on the other hand.

- *LBR Transaction Background.* In December 2017, LBR EquityCo, through its majority owned subsidiary, acquired LBR. In May 2024, ICG made a strategic investment in LBR by acquiring a controlling equity interest in LBR from LBR EquityCo (the "Initial Transaction"). After the Initial Transaction, LBR EquityCo remained a shareholder in LBR alongside ICG. We, in joining as a co-investor in LBR, acquired a portion of LBR EquityCo's equity interest in LBR. Although our indirect equity acquisition of LBR was not negotiated with unaffiliated persons, our acquisition was made at the same price and on substantially similar terms and conditions as ICG's investment in the Initial Transaction in May 2024. We also received a third-party valuation opinion from Alvarez & Marsal Valuation Services, LLC, our independent valuation firm, as a part of our due diligence process. Additionally, the terms of the Company's investment in LBR were approved by all the independent directors of our board of directors as fair and reasonable to us.

See "Risk Factors—Risks Related to the Manager, the Sub-Manager and Their Respective Affiliates."

Certain Relationships with Affiliates

The following discussion sets forth the agreements that we have entered into with affiliates in connection with this offering. The statements relating to each agreement set forth in this section and elsewhere in this prospectus are subject to and are qualified in their entirety by reference to all of the provisions of such agreements, copies of which are filed as exhibits to the registration statement of which this prospectus is a part.

Management Agreement and Sub-Management Agreement

Our business and affairs are managed under the direction of our board of directors. However, we have engaged the Manager, CNL, under the Management Agreement pursuant to which the Manager is responsible for the overall management of our activities. The Manager has engaged the Sub-Manager under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets. The Manager and the Sub-Manager are collectively responsible for sourcing potential acquisition and debt financing opportunities, subject to approval by the Manager's management committee that such opportunity meets our investment objectives and final approval of such opportunity by our board of directors, and monitoring and managing the businesses we acquire 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 Manager's and the Sub-Manager's services under the Management Agreement and the Sub-Management Agreement, respectively, are not exclusive, and they may furnish the same or similar services to other entities, including businesses that may directly or indirectly compete with us, so long as the services to us are not impaired by the provision of such services to others, and provided that they notify us prior to being engaged to serve as an advisor to a fund or other company having a similar business strategy. As a result, the Management Agreement and the Sub-Management Agreement were negotiated between related parties, and their respective terms, including fees and other amounts payable, may not be as favorable to us as if they had been negotiated with unaffiliated third parties.

We compensate the Manager and the Sub-Manager through both management and incentive fees for their services under the Management Agreement and the Sub-Management Agreement, respectively. Businesses may pay to the Sub-Manager certain transaction fees for services customarily performed in connection with the management of our businesses (except that no such transaction fees were charged on our acquisition of the initial businesses). You will indirectly pay these fees. The transaction fees will be approved by our board of directors, including a majority of the independent directors. In addition, we reimburse the Manager and the Sub-Manager and certain of their affiliates for certain organization and offering expenses and operating expenses that they incur on our behalf. The timing and nature of fees and compensation to the Manager and the Sub-Manager could create a conflict between the interests of the Manager and the Sub-Manager, on the one hand, and those of our shareholders, on the other hand. Both the base management fee and the distribution and shareholder servicing fee are not performance based since they are based upon cost which creates a conflict of interest in all decisions by the Manager and the Sub-Manager in selecting between acquisitions and purchase prices. A transaction by us may result in the immediate realization by the Manager and its affiliates of substantial commissions, fees, compensation and other income. Potential conflicts may arise in connection with the determination by the Manager and the Sub-Manager of whether to acquire, hold or sell assets as such determination could impact the timing and amount of fees payable to the Manager and the Sub-Manager.

For additional information concerning these relationships, see "Management—Management Agreement," "Management—Sub-Management Agreement" and "Compensation of the Manager, the Sub-Manager and the Managing Dealer."

Administrative Services Agreement and Sub-Administration Agreement

We have entered into the Administrative Services Agreement and the Sub-Administration Agreement with the Administrator and the Sub-Administrator, respectively, pursuant to which each provide us with administrative services and each is entitled to reimbursement of expenses for such services in an amount equal to the lesser of the actual cost or the amount that we would be required to pay for comparable administrative services in the same geographic location, subject to certain limitations. See "Management—Administrative Services."

Expense Support and Conditional Reimbursement Agreement

We have entered into an Expense Support and Conditional Reimbursement Agreement with the Manager and the Sub-Manager, pursuant to which each of the Manager and the Sub-Manager agrees to reduce the payment of base management fees, total return incentive fees and the reimbursements of reimbursable expenses due to the Manager and the Sub-Manager under the Management Agreement and the Sub-Management Agreement, as applicable, to the extent that our annual regular cash distributions exceed our annual net income (with certain adjustments). The waiver of such fees and expenses that would otherwise be due to the Manager and Sub-Manager reduces our related third-party expenses and allows us to use the income available to fund distributions from investment income or cash flow from operations from future periods. The amount of such expense support is equal to the annual (calendar year) excess, if any, of (a) the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and paid (net of our distribution reinvestment plan) to shareholders minus (b) the available operating funds (the "Expense Support Amount"). "Available operating funds" means net operating income, as determined under GAAP, including realized capital gains and realized capital losses, but excluding all Conditional Waiver Amounts, Expense Support Amounts, interest costs, financing fees and financing costs, any non-cash income items or expenses (such as paid-in-kind interest, original issue discount, debt issuance costs, etc.) and any ongoing distribution and shareholder servicing fees. The Expense Support Amount will be borne equally by the Manager and the Sub-Manager and will be calculated as of the last business day of the calendar year. Beginning on the date on which we commence operations (which was February 7, 2018) and continuing until the Expense Support and Conditional Agreement is terminated, within 15 business days from the last business day of each full calendar month (and not any partial months) (each, an "Applicable Calendar Month"), we will deliver to the Manager and the Sub-Manager a notice specifying, on a per share class basis for each share class, the Conditional Waiver Amount (as defined below) for such Applicable Calendar Month. Unless the Manager or the Sub-Manager, as applicable, within five (5) business days from receipt of the notice, objects to the Conditional Waiver Amount included in such notice, the Manager and Sub-Manager shall equally conditionally reduce the payment of fees and reimbursements of reimbursable expenses in an amount equal to the Conditional Waiver Amount; provided, however, that the Manager and Sub-Manager shall not reduce fees and reimbursements of reimbursable expenses to the extent that such reductions are estimated to cause the annualized (based on a 365-day year) aggregate amount of Conditional Waiver Amounts to exceed the Expense Support Amount. For purposes of the Expense Support and Conditional Reimbursement Agreement, the "Conditional Waiver Amount" means the aggregate estimated amount of per share class expense support required by us for the Applicable Calendar Month, but in no event will exceed the excess of (a) the sum of the distributions (as defined in the Expense Support and Conditional Reimbursement Agreement) declared and payable to shareholders of each share class over (b) the sum of the available operating funds attributable each share class for such Applicable Calendar Month. The term of the agreement has the same initial term and renewal terms as the Management Agreement or the Sub-Management Agreement, as applicable to the Manager or the Sub-Manager, subject to the right of the Manager and the Sub-Manager, acting jointly, to terminate it upon written notice, except that once effective, the Manager and the Sub-Manager may not terminate their expense support obligations unless any party provides one hundred and twenty (120) days prior written notice to the other parties.

If, on the last business day of the calendar year, the annual (calendar year) year-to-date available operating funds exceeds the sum of the annual (calendar year) year-to-date distributions paid per share class (the "Excess Operating Funds"), we will use such Excess Operating Funds to pay the Manager and the Sub-Manager all or a portion of the outstanding unreimbursed expense support amounts, subject to certain conditions (the "Conditional Reimbursements"). We are obligated to make Conditional Reimbursements to the Manager and Sub-Manager only when we have additional investment income or cash flow from operations after paying distributions, thus the Expense Support and Conditional Reimbursement Agreement serves as a mechanism for us to fund distributions with cash flow from operations from future periods. Our obligation to make Conditional Reimbursements is subject to the following conditions and limitations: (a) we are required to make Conditional Reimbursements attributable to a particular share class only to the extent that such Conditional Reimbursements do not cause such share class's other operating expenses (which means operating expenses we incur excluding base management fees, total return incentive fees, interest costs, financing fees and financing costs, any ongoing distribution and shareholder servicing fees, any organizational and offering expenses, expense support amounts and brokerage commissions) (on an annualized basis (based on a 365-day year), and net of any Conditional Waiver Amounts reduced by the Manager and the Sub-Manager for our benefit during the calendar year) to exceed 1.75% of average gross assets (as defined herein) attributable to such shares (on an annualized basis (based on a 365-day year)) after taking the Expense Support Amount attributable to such shares into account; (b) notwithstanding anything to the contrary in the Expense Support and Conditional Reimbursement Agreement, no Conditional Reimbursements shall be made if the per share class operating expense ratio (which is calculated by dividing the per share class operating expenses, less

organizational and offering expenses, base management and total return incentive fees owed to Manager and the Sub-Manager, and interest expense, by the per share class gross assets) at the time of such reimbursement payment is less than or equal to the per share class operating expense ratio at the time the expense support amount was reduced by the Manager and the Sub-Manager, and to which such Conditional Reimbursement relates; (c) notwithstanding anything to the contrary in the Expense Support and Conditional Reimbursement Agreement, no Conditional Reimbursements of the Expense Support Amount allocable to a share class shall be made with respect to such share class if the effective distributions per share declared by us allocable to such share class at the time of such Conditional Reimbursements is less than the effective distributions per share allocable to such share class at the time the Expense Support Amount was made to which such Conditional Reimbursement relates; and (d) our obligation to make Conditional Reimbursements shall automatically terminate and be of no further effect three (3) years following the date which the Expense Support Amount was provided and to which such Conditional Reimbursement relates. Any such Conditional Reimbursements will be applied to the earlier Expense Support Amount provided by us, provided, however, Conditional Reimbursements shall be applied first to unreimbursed expense support amounts attributable to reimbursable expenses and next to unreimbursed expense support amounts attributable to base management fee and total return incentive fee. We will make such payments to the Manager and the Sub-Manager equally in any combination of cash or other immediately available funds as promptly as possible after the last business day of the calendar year, but in any event no later than ninety (90) calendar days after the last day of such calendar year.

Competition for Management Time

James M. Seneff, Jr. and Arthur E. Levine, who serve as members of our board of directors, and Chirag J. Bhavsar, Tammy J. Tipton and Paul W. Drury, who serve as our executive officers, engage in the management of other business entities and properties and in other business activities, including activities associated with our affiliates. All of these individuals devote only as much of their time to our business as they, in their judgment, determine is reasonably required, which could be substantially less than their full time. The amount of time these individuals devote could be impacted by and commensurate with the level of our operating activity which will be impacted by the amount of funds raised from this offering and the subsequent acquisitions. These individuals may experience conflicts of interest in allocating management time, services, and functions among us and the various entities, investor programs (public or private) and any other business ventures in which any of them are or may become involved.

Relationship with Managing Dealer

As described elsewhere in this prospectus, we pay the Managing Dealer selling commissions, dealer manager fees and distribution and shareholder servicing fees. The Managing Dealer is an affiliate of the Manager. This relationship may create conflicts in connection with the fulfillment by the Managing Dealer of its due diligence obligations under the federal securities laws. Accordingly, investors will not have the benefit of such independent review. Certain of the participating brokers-dealers have made, or are expected to make, their own independent due diligence investigations. The Managing Dealer is not prohibited from acting in any capacity in connection with the offer and sale of securities offered by entities that may have a similar business strategy to ours and is expected to participate in other offerings sponsored by one or more of our officers or directors.

Prior and Future Programs

In the past, affiliates of the Manager and the Sub-Manager have organized investments for entities other than the company. Affiliates of the Sub-Manager also currently manage other entities that may have a business strategy that is similar to and/or overlapping business strategy with our business strategy. In addition, these affiliates currently have other positions and in the future may form, offer interests in and manage other programs in addition to those for the company and to acquire similar types of businesses as those we target or acquire debt positions in such businesses. Future programs may involve affiliates of the Manager and the Sub-Manager in the ownership, financing, operation and management of properties that may be suitable for us. As a result, situations could arise whereby the Manager or the Sub-Manager or their respective affiliates have an economic incentive to make a decision that favors another entity that it manages over us. Such conflicts between us and affiliated programs may affect the value of our positions as well as our net income.

Provisions in Our LLC Agreement Relating to Conflicts of Interest

Our LLC Agreement contains restrictions regarding conflicts of interest, including the following:

- ***The Management Agreement and Compensation***. Our board of directors may exercise broad discretion in allowing the Manager and/or the Sub-Manager to administer and regulate our operations, to act as agent for us, to execute documents on behalf of us and to make executive decisions that conform to general policies and principles established by our board of directors. Our board of directors will monitor the Manager and the Sub-Manager to assure that our administrative procedures, operations and programs are in our best interests and are fulfilled and that (i) the expenses incurred are reasonable, (ii) all front end fees are reasonable and do not exceed 18% of the gross proceeds of any offering regardless of the source of payment, and (iii) the percentage of gross

proceeds of any offering committed to investment in company assets is at least 82%. All items of compensation to underwriters or dealers, including, but not limited to, selling commissions, expenses (including organizational and offering expenses), rights of first refusal, consulting fees, finders' fees and all other items of compensation of any kind or description paid by us, directly or indirectly, shall be taken into consideration in computing the amount of allowable front end fees. Our board of directors will also determine that the compensation paid to the Manager is reasonable in relation to the nature and quality of services performed by the Manager and our investment performance and that the provisions of the Management Agreement are being carried out. All agreements between us and the Manager will be approved by a majority of the independent directors. Our board of directors may consider all factors that they deem relevant in making these determinations.

- ***Voting of shares owned by affiliates***. The Manager, the Sub-Manager, our officers and directors, and their respective affiliates may not vote their shares or consent on matters submitted to the shareholders regarding any transaction between such affiliates and us. All shares owned by the Manager, the Sub-Manager, our officers and directors, and their respective affiliates shall be excluded in determining the requisite percentage of interest in shares necessary to approve a matter on which the Manager, the Sub-Manager, our officers and directors, and their respective affiliates, as applicable, may not vote or consent.

- ***Investments with affiliates***. We will not acquire any asset or business in which the Manager, the Sub-Manager, any of our directors or officers or any of their respective affiliates has a direct economic interest without a determination by the majority of our board of directors (including a majority of our independent directors) that such acquisition or co-opportunity is fair and reasonable to us.

- ***Purchase of assets from affiliates***. We will not purchase assets from our sponsor, the Manager, the Sub-Manager, our directors or any of their respective affiliates unless a majority of our board of directors (including a majority of the independent directors) not otherwise interested in the transaction determines that such transaction is fair and reasonable to us and at a price to us no greater than the cost of the assets to our sponsor, the Manager, the Sub-Manager, our directors or any of their respective affiliates, unless there is a substantial justification for any amount that exceeds such cost and such excess amount is determined to be reasonable. In no event will the cost of such asset to us exceed its then-current appraised value.

- ***Sale of assets to affiliates***. We will not sell or lease assets to our sponsor, the Manager, the Sub-Manager, our directors or any of their respective affiliates or to the directors without a determination by a majority of our board of directors (including a majority of our independent directors) not otherwise interested in the transaction, that such transaction is fair and reasonable to us.

- ***Loans to/from affiliates***. We will not borrow money from our sponsor, the Manager, the Sub-Manager, directors or any of their respective affiliates unless a majority of our board of directors (including a majority of our independent directors) not otherwise interested in transaction approve it as being fair, competitive and commercially reasonable to us and no less favorable to us than loans between unaffiliated parties under similar circumstances. On financing made available to the company by them, our sponsor, the Manager, the Sub-Manager, directors or any of their respective affiliates may not receive interest in excess of the lesser of such lender's cost of funds or the amounts that would be charged by unrelated lending institutions on comparable loans for the same purpose. Our sponsor, the Manager, the Sub-Manager, directors or any of their respective affiliates shall not impose a prepayment charge or penalty in connection with such financing and our sponsor shall not receive points or other financing charges. The Manager and the Sub-Manager will be prohibited from providing any financing with a term in excess of 12 months to us. Except for the advancement of funds pursuant to certain indemnification provisions of our LLC Agreement, we will not make loans to an entity in which our sponsor, the Manager, the Sub-Manager or the directors or any of their respective affiliates have an interest unless an independent expert appraises the underlying collateral and there is a determination by a majority of our board of directors not otherwise interested in the transaction, that such transaction is fair and reasonable to us.

- ***Other restrictions on transactions with affiliates***. The Manager and the Sub-Manager are prohibited from commingling our funds with the funds of any other entity or person for which it provides advisory or other services. In addition, our LLC Agreement prohibits the Manager, the Sub-Manager and their respective affiliates from receiving or accepting any rebate, give-up or similar arrangement that would circumvent the provisions of our LLC Agreement. The Manager, the Sub-Manager and their respective affiliates are also prohibited from participating in any reciprocal business arrangement that would circumvent the provisions of our LLC Agreement. We will not engage in a transaction with our sponsor, the Manager, the Sub-Manager, directors or any of their respective affiliates that is not otherwise addressed by the LLC Agreement and where

such entity provides services to us unless such entity can demonstrate the capacity and capability to provide such services on a competitive basis and that the services are provided at the lesser of cost or the competitive rate charged by competitors providing comparable services. We will not give the Manager or the Sub-Manager or any of their respective affiliates an exclusive right or employment to sell our assets. Any contract between us and our sponsor, the Manager, the Sub-Manager, directors or any of their respective affiliates not addressed by the LLC Agreement must contain a provision allowing us to terminate the contract without penalty on 60 days' notice.

We may not invest in general partnerships or joint ventures with affiliates unless certain conditions described in our LLC Agreement are met.

A majority of our board of directors (including a majority of our independent directors) not otherwise interested in the transaction must conclude that all other transactions between us and our sponsor, the Manager, the Sub-Manager, any of the directors or any of their respective affiliates are fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties. The terms pursuant to which any goods or services, other than those services provided pursuant to the Management Agreement and the Sub-Management Agreement, which are provided to us by the Manager or Sub-Manager, will be embodied in a written contract, the material terms of which will be fully disclosed to our shareholders in a prospectus supplement or another filing.

- ***Appraisal and Compensation of Roll-Up Transactions***. Our LLC Agreement provides that, in connection with any proposed transaction involving a merger, conversion or consolidation, either directly or indirectly, involving us and the issuance of securities of a surviving entity after the successful completion of such transaction, or "roll-up," an appraisal of all our assets will be obtained from a competent independent expert which will be filed as an exhibit to the registration statement registering the roll-up. Such appraisal will be based on all relevant information and shall indicate the value of our assets as of a date immediately prior to the announcement of the proposed roll-up. The engagement of such independent expert shall be for the exclusive benefit of us and our shareholders. A summary of such appraisal, indicating all material assumptions underlying the appraisal, will be included in a report to our shareholders in connection with a proposed roll-up. All of our shareholders will be afforded the opportunity to vote to approve such proposed roll-up, and shareholders who vote "no" on the proposal shall be permitted the choice of:

  (i) accepting the securities of a roll-up entity offered in the proposed roll-up transaction; or

  (ii) one of the following:

    (A) remaining as shareholders of us and preserving their interests therein on the same terms and conditions as existed previously, or

    (B) receiving cash in an amount equal to the shareholder's *pro rata* share of the appraised value of our net assets.

  We are prohibited from participating in any proposed roll-up transaction:

  (i) that would result in the shareholders having voting rights in a roll-up entity that are less than the rights provided for in the LLC Agreement;

  (ii) which includes provisions that would operate to materially impede or frustrate the accumulation of shares by any purchaser of the securities of the roll-up entity (except to the minimum extent necessary to preserve the tax status of the roll-up entity), or which would limit the ability of an investor to exercise the voting rights of its securities of the roll-up entity on the basis of the number of shares held by that investor;

  (iii) in which investors' rights to access of records of the roll-up entity will be less than those provided for in our LLC Agreement and described in the section of this prospectus entitled "Summary of Our LLC Agreement—Access to Our Books and Records"; or

  (iv) in which any of the costs of the roll-up transaction would be borne by us if the roll-up transaction is not approved by the shareholders.

SUMMARY OF OUR LLC AGREEMENT

The following is a summary of the material provisions of our LLC Agreement. Our LLC Agreement sets forth the terms and conditions upon which we will conduct our business and affairs and it sets forth the rights and obligations of our shareholders. This summary is not complete and is subject to and qualified by the detailed provisions of our LLC Agreement, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part. Potential investors should study our LLC Agreement carefully before making any investment in our shares.

Establishment and Nature

We are organized as a limited liability company under the Delaware Limited Liability Company Act. We are managed by the Manager under the Management Agreement, pursuant to which the Manager is responsible for the overall management of our activities, subject to oversight by our board of directors. The Manager has engaged the Sub-Manager under the Sub-Management Agreement, pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets.

Name and Address

We conduct business under the name "CNL Strategic Capital, LLC" with our principal office and place of business at 450 South Orange Avenue, Suite 1400, Orlando, FL 32801-3336 (unless we change the office with written notice to you).

Capital Contributions

Manager and Sub-Manager Contributions. Each of the Manager and the Sub-Manager made a capital contribution of $100,000 in cash in exchange for 4,000 Class FA shares. On February 7, 2018, we entered into an exchange agreement with the Leichtman-Levine Living Trust, an affiliate of the Sub-Manager, pursuant to which the Leichtman-Levine Living Trust made an aggregate capital contribution to us of $2.4 million consisting of approximately $2.4 million of equity interests in Lawn Doctor in exchange for 96,000 Class FA shares having a value of $2.4 million. The Manager also made a capital contribution to us of $2.4 million in cash in exchange for 96,000 Class FA shares having a value of $2.4 million and an affiliate of the Manager made a capital contribution to us of $9.5 million in cash in exchange for 380,000 Class FA shares having a value of $9.5 million.

Shareholders' Contributions. The current public offering prices for our shares are $39.14 per Class A share, $37.62 per Class T share, $35.54 per Class D share and $36.23 per Class I share. Such prices may be adjusted by our board of directors.

No Further Contribution. After you pay for your shares, you will not have any further obligations to us or be required to contribute any additional capital to, or loan any funds to, us. However, under certain circumstances, you may be required to return distributions made to you in violation of Delaware law as described under the caption "—Liability and Indemnification—Limited Liability of Our Shareholders" or you may be required to reimburse or advance deposit to the partnership representative and us in connection with contesting partnership adjustment, or indemnify us from and against any liability for any "imputed underpayment," as described under the caption "Certain U.S. Federal Income Tax Consequences—Tax Audits."

Classes of Shares

Class A Shares

Class A shares are available for purchase by the general public through different distribution channels. Each Class A share issued in this primary offering will be subject to a selling commission of up to 6.00% per share and a dealer manager fee of up to 2.50% per share. There are no distribution and shareholder servicing fees charged with respect to Class A shares. We will not pay selling commissions or dealer manager fees on Class A shares sold pursuant to our distribution reinvestment plan. We will also waive some or all of the selling commissions and dealer manager fees on Class A shares sold to certain categories of investors, including the Manager or Sub-Manager or any of their or our directors, officers, employees or affiliates. Certain purchasers of Class A shares may be eligible for volume discounts. See "Plan of Distribution" for additional information.

Class T Shares

Class T shares are available for purchase by the general public through different distribution channels. Each Class T share issued in this primary offering will be subject to a selling commission of up to 3.00% per share and a dealer manager fee of up to 1.75% per share. We pay the Managing Dealer distribution and shareholder servicing fees, subject to certain limits, on the Class T shares sold in this primary offering (excluding Class T shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 1.00% of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee will accrue daily and be paid monthly in arrears. We will cease paying the distribution and shareholder servicing fee with respect to Class T shares held in any particular account, and those Class T shares will convert into a number of Class A shares, as described under the

caption "Plan of Distribution." We will not pay selling commissions or dealer manager fees on Class T shares sold pursuant to our distribution reinvestment plan. See "Plan of Distribution" for additional information.

Class D Shares

Class D shares are only available to investors purchasing through certain registered investment advisers and fee based broker-dealer or advisory platforms, including certain wrap accounts or fund supermarket custodians, as well as certain other entities exempt from broker-dealer registration such as through the family office or the bank advisory channels. We will not pay selling commissions or a dealer manager fee with respect to Class D shares. We pay the Managing Dealer distribution and shareholder servicing fees, subject to certain limits, on the Class D shares sold in this primary offering (excluding Class D shares sold through the distribution reinvestment plan and those received as share distributions) in an annual amount equal to 0.50% of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fee will accrue daily and be paid monthly in arrears. We will cease paying the distribution and shareholder servicing fee with respect to Class D shares held in any particular account, and those Class D shares will convert into a number of Class A shares, as described under the caption "Plan of Distribution." We will not pay selling commissions or dealer manager fees on Class D shares sold pursuant to our distribution reinvestment plan. See "Plan of Distribution" for additional information.

Class I Shares

Class I shares are only available to investors purchasing through certain registered investment advisers and fee based broker-dealer or advisory platforms, including certain wrap accounts or fund supermarket custodians, as well as certain other entities exempt from broker-dealer registration such as through the family office or the bank advisory channels. We will not pay selling commissions or a dealer manager fee with respect to Class I shares. There are no distribution and shareholder servicing fees charged with respect to Class I shares. We will not pay selling commissions or dealer manager fees on Class I shares sold pursuant to our distribution reinvestment plan. See "Plan of Distribution" for additional information.

Class FA Shares

Class FA shares are not offered or sold hereby and were only made available for purchase in our previous private offerings by persons that were "accredited investors" (as that term is defined under the Securities Act and Regulation D promulgated thereunder). Previously, there were no selling commissions or placement agent fees for the sale of Class FA shares in the Class FA Private Offering; however, under the Follow-On Class FA Private Offering, we paid the Placement Agent a selling commission of up to 5.5% and placement agent fee of up to 3.0% of the sale price for each Class FA share sold in the Follow-On Class FA Private Offering, except as a reduction or sales load waiver may apply.

Class S Shares

Class S shares are not offered or sold hereby and were only made available for purchase in our previous private offering by persons that were "accredited investors" (as that term is defined under the Securities Act and Regulation D promulgated thereunder). We paid the Placement Agent a selling commission of up to 2.0% and a placement agent fee of up to 1.5% of the sale price for each Class S share sold in the Class S Private Offering, except as a reduction or sales load waiver that may apply.

Distributions

Subject to our board of director's discretion and applicable legal restrictions, our board of directors has declared, and intends to continue to declare, cash distributions to shareholders based on monthly record dates and we have paid, and intend to continue to pay, such distributions on a monthly basis. We will calculate each shareholder's specific distribution amount for the month using record declaration dates. Distributions will be paid out of funds legally available for distributions to our shareholders. Our distributions may exceed our earnings and adjusted cash flow from operating activities and may be paid from borrowings, offering proceeds and other sources (including from expense support from the Manager and the Sub-Manager), without limitation, especially during the period before we have substantially invested the proceeds from this offering. Distributions paid to our shareholders, including distributions paid with respect to Class FA and Class S shares, may be funded from proceeds from this offering. If we pay distributions from sources other than cash flow from operating activities, we will have less funds available for investments and your return will be reduced. In addition, it may result in dilution to current shareholders and a reduction in the estimated net asset value of the company. Our board of directors will refrain from utilizing expense support from the Manager and the Sub-Manager and offering proceeds when an alternative exists.

Subject to payments made to holders of preferred shares, if any, distributions will be made on all classes of our shares at the same time. Amounts distributed will be allocated among each class in proportion to the number of shares of each class outstanding. Amounts distributed to each class will be allocated among our shareholders in such class in proportion to their shares. The per share amount of distributions on Class A, Class T, Class S, Class D and Class I shares will differ because of

different allocations of varying class-specific expenses. Specifically, distributions on the non-founder shares may be lower than distributions on founder shares because we are required to pay higher management and incentive fees to the Manager and the Sub-Manager with respect to the non-founder shares. Additionally, distributions on Class T shares and Class D shares may be lower than distributions on Class A, Class FA, Class S and Class I shares because we are required to pay ongoing distribution and shareholder servicing fees with respect to the Class T shares and Class D shares sold in this offering. There is no assurance that we will pay distributions in any particular amount, if at all.

Management

Our Powers

Except as otherwise specifically provided in our LLC Agreement, our board of directors have complete and exclusive discretion in the management and control of our business and affairs and are authorized to employ all powers necessary or advisable to carry out our purposes and acquisition policies, conduct our business and affairs, and exercise our powers. Our board of directors has delegated to the Manager under the Management Agreement the overall management of our activities, subject to our board's supervision. The Manager has engaged the Sub-Manager under the Sub-Management Agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of our assets.

Our board of directors has the sole and absolute discretion to accept or refuse to accept the admission of any subscriber as a shareholder. Except to the extent limited by Delaware law or our LLC Agreement, our board of directors may delegate any or all of its duties under our LLC Agreement to any person, including any of its affiliates. Our LLC Agreement designates the Manager as our partnership representative and authorizes and directs the Manager to represent us and our shareholders in connection with all examinations of our affairs by tax authorities and any resulting administrative or judicial proceedings and to expend our funds in doing so.

Shareholders' Powers

No shareholder, other than the Manager and the Sub-Manager, can participate in or have any control over our business and affairs or have any right or authority to act for, or to bind or otherwise obligate, us.

Authorized Shares

Each of our shares represents a limited liability company interest in CNL Strategic Capital, LLC. Our LLC Agreement provides that we may issue up to 950,000,000 shares of limited liability company interests, or our shares, and up to 50,000,000 preferred shares of limited liability company interest, or preferred shares. Our total shares authorized are classified as 7,400,000 Class FA shares, 94,660,000 Class A shares, 558,620,000 Class T shares, 94,660,000 Class D shares, 100,000,000 Class S shares, and 94,660,000 Class I shares. As of March 28, 2025, we had 34,332,675 shares outstanding which consist of 4,017,056 Class FA shares, 8,336,711 Class A shares, 2,517,732 Class T shares, 3,104,775 Class D shares 14,644,356 Class I shares and 1,712,045 Class S shares.

Issuance of Additional Securities

Our LLC Agreement authorizes our board of directors, without the approval of any of our shareholders, to increase the number of shares we are authorized to issue and to classify and reclassify any authorized but unissued class or series of shares into any other class of series of shares having such designations, preferences, rights, powers and duties as may be specified by our board of directors. Our LLC Agreement also authorizes our board, without the approval of any shareholder, to issue additional shares of any class or series for the consideration and on the terms and conditions established by our board of directors. In accordance with the provisions of our LLC Agreement, we may also issue additional limited liability company interests that have designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to our shares.

Determinations by Our Board of Directors

Our LLC Agreement contains a provision that codifies the authority of our board of directors to manage our business and affairs. This provision enumerates certain matters and states that the determination as to any such enumerated matters made by or pursuant to the direction of our board of directors (consistent with our LLC Agreement) is final and conclusive and binding upon us and our shareholders. This provision does not alter the duties our board of directors owes to us or our shareholders pursuant to the LLC Agreement and under Delaware law. Further, it would not restrict the ability of a shareholder to challenge an action by our board of directors which was taken in a manner that is inconsistent with our charter or the board of directors' duties under Delaware law or which did not comply with the requirements of the provision.

Liability and Indemnification

Limited Liability and Indemnification

Our LLC Agreement provides that a director of the company will not be liable to us, any of our subsidiaries, or any holder of shares, for monetary damages for any acts or omissions arising from the performance of any of such director's obligations or duties in connection with the company, including breach of fiduciary duty, except as follows: (i) for any breach of the director's duty of loyalty to us or the holders of the shares; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the director derived an improper personal benefit.

Section 18-108 of the Delaware Limited Liability Company Act allows a limited liability company to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. Our LLC Agreement provides that, to the fullest extent permitted by law, subject to certain restrictions described below, we will indemnify our sponsor, directors and officers, the Manager, the Sub-Manager or any of their respective affiliates who were or are a party or are threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of us) by reason of the fact that the person is or was a sponsor, director, officer, employee, partnership representative or agent of the company, or is or was serving at the request of the company as a director, officer, employee or agent of another company, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. Subject to the conditions set forth in our LLC Agreement, we may pay or reimburse such indemnified person's expenses (including attorneys' fees) in advance of final disposition of a proceeding.

Further, notwithstanding the above, our LLC Agreement provides that we shall not indemnify or hold harmless our sponsor, any director or officer, the Manager, the Sub-Manager or any of their affiliates, for any loss or liability suffered by us unless all of the following conditions are met:

- the party seeking exculpation or indemnification has determined in good faith that the course of action leading to the loss or liability was in our best interests;
- the party seeking exculpation or indemnification was acting on our behalf or providing services to us;
- the loss or liability was not the result of negligence or misconduct (in the case of a director other than an independent director, or the Manager, the Sub-Manager or any of their respective affiliates) or gross negligence or willful misconduct (in the case of an independent director); and
- the indemnification or agreement to hold harmless is recoverable only out of net assets and not from our shareholders.

Further, notwithstanding the above, our LLC Agreement prohibits the indemnification for liabilities or expenses arising from or out of an alleged violation of state or federal securities laws by the parties named in the preceding paragraph, unless one or more of the following conditions is met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction;
- with respect to the party seeking indemnification; or
- a court of competent jurisdiction approves a settlement of the claims against the indemnitees and finds that indemnification of the settlement and related costs should be made, and the court considering the request for indemnification has been advised of the position of the SEC and of the published position of any state securities regulatory authorities in states in which the securities were offered as to indemnification for violations of securities law.

Our LLC Agreement also provides that advancement of funds to the Manager, the Sub-Manager or any of their respective affiliates for reasonable legal expenses and other costs incurred in advance of the final disposition of a legal action for which indemnification is being sought is permissible only if all of the following conditions are met:

- the legal action relates to acts or omissions with respect to the performance of duties or services on our behalf;

- the Manager, the Sub-Manager or their respective affiliates seeking advancement undertake to repay us the advanced funds, together with the applicable legal rate of interest thereon, if it is ultimately determined that the Manager, the Sub-Manager or their respective affiliates are not entitled to indemnification; and

- the legal action is initiated by a third party who is not a member of the company, or the legal action is initiated by a member of the company and a court of competent jurisdiction specifically approves such advancement.

Limited Liability of Our Shareholders

You will have no personal liability for any of our obligations or liabilities. You will only be liable, in your capacity as a shareholder, to the extent of your capital contribution and your *pro rata* share of any of our undistributed profits and other assets. Delaware law provides that, for a period of three years from the date on which any distribution is made to you, you may be liable to us for the distribution if both of the following are true:

- after giving effect to the distribution, all of our liabilities exceed the fair value of our assets; and

- you knew at the time you received the distribution that it was made in violation of Delaware law.

Allocations and Adjustments for Tax Purposes

Under our LLC Agreement, items of income, gain, loss, deduction and credit will generally be allocated among the shareholders consistent with the distribution provisions contained in our LLC Agreement with allocations attributable to the management and incentive fees and distribution and shareholder servicing fees and certain other fees allocated to the classes of shares in accordance with how such fees are attributable to such classes of shares.

Transfer of Our Shares

Restrictions on the Transfer of Shares and Withdrawal

You may withdraw as a shareholder from CNL Strategic Capital, LLC by selling, transferring or assigning your shares or having all of your shares repurchased in accordance with our share repurchase program (as described below), our LLC Agreement and any applicable securities laws. You may transfer your shares only upon the satisfaction of the conditions and subject to the restrictions discussed below. In addition, the transfer of your shares may subject you to the securities laws of the State or other jurisdiction in which the transfer is deemed to take place. The recipient must also own a sufficient number of shares to meet the minimum investment standard. Anyone to whom you transfer your shares may become a substitute shareholder only upon our approval, which approval shall not be unreasonably withheld; otherwise, they will be an assignee. While assignees will hold all economic rights that come with ownership of our shares, they will not have the other rights that our shareholders have, including voting rights and the right to a copy of the list of our shareholders. We will amend our records at least once each calendar quarter to effect the substitution of substituted shareholders. We will not charge for transfers of shares except for reasonable and necessary costs actually incurred by us. We will also require that there be no adverse effect to us resulting from the transfer of our shares, and that the assignee has signed a transfer agreement and other forms, including a power of attorney, as described in our LLC Agreement. For purposes of transferring or assigning all or a portion of your interests, an assignor's management shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the assignee(s), whether or not in such assignor's management's possession or control, and that the management of the assignor shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the assignee(s).

Unless our board of directors consent, which consent shall not be unreasonably withheld, no shares may be transferred or assigned:

- to a minor or incompetent unless a guardian, custodian or conservator has been appointed to handle the affairs of the person;

- to any person if, in the opinion of counsel, such assignment would result in our termination for U.S. federal income tax purposes; provided, however, that we may permit such assignment to become effective if and when, in the opinion of counsel, such assignment would no longer result in our termination for U.S. federal income tax purposes;

- prior to a listing of our shares on a national securities exchange, to any person if we determine that such transfer or assignment would result in our being classified as a publicly traded partnership within the meaning of Section 7704(b) of the Code;

- to any person if the assignment would affect our existence or qualification as a limited liability company under

Delaware law or the applicable laws of any other jurisdiction in which we are conducting business;

- to any person not permitted to be an assignee under applicable law, including, without limitation, applicable federal and state securities laws;
- to any person if the assignment would result in the transfer of less than the minimum required share purchase, unless the assignment is of all of the shares owned by the shareholder;
- if the assignment would result in your retaining a portion of your investment that is less than the minimum required share purchase;
- if, in our reasonable belief, the assignment might violate applicable law; or
- if the assignment would cause our shares to be owned by non-United States citizens.

Any attempt to transfer or assign our shares in violation of the provisions of our LLC Agreement or applicable law, including federal and state securities laws, will be null and void from the outset and will not bind us. Assignments of our shares will be recognized by us as of the first day of the month following the date upon which all conditions to the assignment have been satisfied.

California law requires that all certificates for shares that we issue to residents of California, if any, or that are subsequently transferred to residents of California, bear the following legend: "It is unlawful to consummate a sale or transfer of a membership interest, or any interest therein, or to receive any consideration therefor, without the prior written consent of the Commissioner of Corporations of the State of California, except as permitted in the Commissioner's rules."

Limited Repurchase of Our Shares

We have adopted a share repurchase program to conduct quarterly share repurchases, but only a limited number of shares are eligible for repurchase. The aggregate amount of funds under our share repurchase program will be determined on a quarterly basis in the sole discretion of our board of directors. At the discretion of our board of directors, we may use cash on hand, including offering proceeds, cash available from borrowings, and cash from the sale of assets as of the end of the applicable period to repurchase shares. Our share repurchase program also limits the total amount of aggregate repurchases of Class A, Class FA, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). The timing, amount and terms of our share repurchase program includes certain restrictions intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes. See "Share Repurchase Program."

Duration

We were formed when we filed a certificate of formation with the Delaware Secretary of State on August 9, 2016, and have a perpetual existence.

Dissolution and Winding-Up

We will dissolve when any of the following events occurs:

- the adoption of a resolution by a majority vote of our board of directors approving our dissolution and the approval of such action by the affirmative vote of our shareholders owning a majority of our shares;
- the sale of all or substantially all of our assets;
- our operations are no longer legal activities under Delaware or any other applicable law; or
- any other event that causes our dissolution or winding-up under Delaware law.

Our Liquidation

Our board of directors intends to contemplate a liquidity event for our shareholders on or before November 1, 2027 (which is within six years from the date we terminated our initial public offering); however, our board of directors is under no obligation to pursue or complete any particular liquidity event during this timeframe or otherwise. A liquidity event could happen at any time, either before the completion of this offering or any time thereafter.

If and when a liquidity event occurs, our assets will be liquidated and the proceeds thereof will be distributed subject to any payments to be made to holders of preferred shares, if any, to the holders of our shares after we pay our liquidation expenses and pay the debts in proportion to the number of shares held by such holder. If we liquidate (voluntarily or otherwise), dissolve or wind up our affairs, then, immediately before such liquidation, dissolution or winding up, our Class FA shares, Class T shares, Class D shares, Class I shares and Class S shares will automatically convert to Class A shares at the applicable Conversion Rate (the Conversion Rates with respect to Class FA, Class I and Class S shares as defined below) and our net assets, or the proceeds therefrom, will be distributed to the holders of Class A shares, which will include all converted Class FA shares, Class T shares, Class D shares, Class I shares and Class S shares, in accordance with their proportionate interests. Our existence will then be terminated. The "Conversion Rate" with respect to Class FA shares will be equal to the quotient, the numerator of which is the net asset value per Class FA share and the denominator of which is the net asset value per Class A share. The "Conversion Rate" with respect to Class I shares will be equal to the quotient, the numerator of which is the net asset value per Class I share and the denominator of which is the net asset value per Class A share. The "Conversion Rate" with respect to Class S shares will be equal to the quotient, the numerator of which is the net asset value per Class S share and the denominator of which is the net asset value per Class A share. You are not guaranteed the return of, or a return on, your investment.

Access to Our Books and Records

Our board of directors maintains our books and records at our principal office. Such books and records include, among other things, our stock ledger, a list of our shareholders, and the investor suitability records for a period of six years for any shareholder whose shares were sold by our board of directors.

In addition, as provided by the DGCL, our shareholders or their respective representatives will have the right, upon written request stating a proper purpose, subject to reasonable notice and at their own expense, to inspect and copy our books and records. Upon receipt of a written request to access our books and records that is properly submitted in accordance with our LLC Agreement, our board of directors shall permit inspection or respond to such request within thirty (30) business days from the date of receipt of such request. Our shareholders may also request a copy of the list of shareholders in connection with matters relating to shareholder's voting rights and the exercise of shareholder rights under federal proxy laws. Upon receipt of a written request to access our books and records that is properly submitted, we will permit inspection or respond to such request within thirty business days of the date of receipt of the request.

If our board of directors refuses or neglects to exhibit, produce or mail a copy of the shareholder list as properly requested, we will be liable to any shareholder requesting the shareholder list for the costs, including reasonable attorneys' fees, incurred by that shareholder for compelling the production of the shareholder list and for actual damages suffered by such shareholder by reason of such refusal or neglect. It will be a defense that the actual purpose and reason for the request for inspection or for a copy of the shareholder list is to secure such list for the purpose of selling such list or of using the shareholder list for a commercial purpose unrelated to our business. We may require that the shareholder requesting the shareholder list certify that it is not requesting the shareholder list for a commercial purpose other than for the shareholder's interest relative to his or her shares. These remedies are in addition to, and will not in any way limit, other remedies available to shareholders under federal law or the laws of any State.

Meetings and Voting Rights of Our Shareholders

Meetings

Pursuant to our LLC Agreement, a meeting of our shareholders for the election of directors will be held annually on a date and at the time and place set by our board of directors. Our board of directors or the chairman of our board of directors, the vice-chairman of our board of directors, our chief executive officer or our president may call a special meeting of our shareholders at any time on its own initiative to act upon any matter on which our shareholders may vote. Subject to the provisions of our LLC Agreement, a special meeting of our shareholders to act on any matter that may properly be brought before a meeting of our shareholders will also be called by our secretary upon the written request of 10% of all the votes entitled to be cast at the meeting on such matter and containing the information required by our LLC Agreement. Our secretary will inform the requesting shareholder of the reasonably estimated cost of preparing and delivering the notice of meeting (including our proxy materials), and the requesting shareholder must pay such estimated cost before our secretary is required to prepare and deliver the notice of the special meeting. In addition, in lieu of a meeting, any matter that could be voted upon at a meeting of our shareholders may be submitted for action by written consent of our shareholders.

Voting Rights of Our Shareholders

The Class A, Class FA, Class T, Class D, Class I and Class S shares will vote together as a single class, and, subject to the restrictions on transfer and ownership of shares set forth in our LLC Agreement and except as may otherwise be specified in our LLC Agreement, each share is entitled to one vote on each matter submitted to a vote at a meeting of our shareholders.

Our LLC Agreement provides that the holders of shares are entitled, at the annual meeting of holders of shares of the company, to vote for the election of all of our directors. Because our LLC Agreement does not provide for cumulative voting rights, the holders of a majority of the voting power of the then outstanding shares represented at a meeting of the holders of the shares will effectively be able to elect all the directors of the company standing for election.

Our board of directors, without the consent of our shareholders owning a majority of our shares, may not take action on the following matters:

- an amendment of our LLC Agreement (except as set forth in "—Amending Our LLC Agreement");
- our dissolution;
- the merger or consolidation of the company with or into any limited liability company, corporation, statutory trust, business trust or association, real estate investment trust, common-law trust or any other unincorporated business, including a partnership;
- the sale of all or substantially all of our assets, other than in the ordinary course of business;
- any action that would cause us to make an election to be treated as other than a partnership for federal income tax purposes;
- any action that would cause us to be treated as being engaged in the active conduct of a lending (excluding, for this purpose, loans to our subsidiaries), banking or financial business; or
- cause us to be registered as an investment company under the Investment Company Act.

Our shareholders who dissent from any matter approved by our shareholders owning a majority of our shares are nevertheless bound by such vote and do not have a right to appraisal or automatic repurchase of their shares. The Manager is entitled to vote on all matters other than the cancellation of any advisory or service contract or agreement with the company.

In addition, our shareholders have the right to take any of the following actions upon the affirmative vote or consent of the majority of the outstanding shares, without the concurrence of our board of directors:

- amend our LLC Agreement except as otherwise provided;
- dissolve the company;
- remove a director and elect a new director, subject to the detailed provisions in our LLC Agreement; or
- approve or disapprove the sale or series of sales of all or substantially all of our assets other than in the ordinary course of our business.

Anti-Takeover Provisions

Certain provisions of our LLC Agreement may make it more difficult for third parties to acquire control of the company by various means. These provisions could deprive the holders of our shares of opportunities to realize a premium on the shares owned by them. These provisions are intended to:

- enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors;
- discourage certain types of transactions which may involve an actual or threatened change in control of us;
- discourage certain tactics that may be used in proxy fights;
- encourage persons seeking to acquire control of us to consult first with our board of directors to negotiate the terms of any proposed business combination or offer; and
- reduce our vulnerability to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of the outstanding shares or that is otherwise unfair to holders of our shares.

Anti-Takeover Provisions in the LLC Agreement

A number of provisions of our LLC Agreement could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, control of the company. Our LLC Agreement prohibits the merger or consolidation of the company with or into any limited liability company, corporation, statutory trust, business trust or association, real estate investment trust, common-law trust or any other unincorporated business, including a partnership, or the sale, lease or exchange of all or substantially all of our property or assets unless, in each case, our board of directors adopts a resolution by a majority vote approving such action and unless such action is approved by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon.

In addition, our LLC Agreement contains provisions based on Section 203 of the Delaware General Corporation Law, which prohibit us from engaging in a business combination (as defined below) with an interested holder of shares, or an Interested Member (as defined below), unless such business combination is approved by the affirmative vote of the holders of a majority of the outstanding shares, excluding shares held by the Interested Member or any affiliate or associate of the Interested Member.

An Interested Member is defined in our LLC Agreement as:

- a person who, directly or indirectly, controls 15% or more of our outstanding voting shares at any time within the prior three-year period; or

- a person who is an assignee of shares owned by an Interested Member in a transaction not involving a public offering at any time within the prior three-year period.

A business combination is defined in our LLC Agreement and includes (1) a merger or consolidation of us or any of our subsidiaries with an Interested Member or any other person that is, or after such merger or consolidation would be, an affiliate of an Interested Member, (2) a sale, lease, exchange, mortgage, pledge, transfer or other disposition of property or assets, or issuance or transfer of any our securities or any of our subsidiaries' securities, with or on behalf of an Interested Member or any affiliate of an Interested Member having a net asset value equal to 10% or more of the net asset value of our outstanding shares, (3) the issuance or transfer by the company or any subsidiary thereof (in one transaction or a series of transactions) of any securities of the company or any subsidiary thereof to, or proposed by or on behalf of, an Interested Member (as defined in the LLC Agreement) or an affiliate or associate of an Interested Member in exchange for cash, securities or other property (or a combination thereof) having a net asset value equal to 10% or more of the net asset value of the company's outstanding shares as of the date of the consummation of the transaction giving rise to the business combination, (4) any spin-off or split-up of any kind of us or any of our subsidiaries, proposed by or on behalf of an Interested Member or any of affiliate of the Interested Member, or (5) any reclassification of the shares or securities of a subsidiary of the company (including any reverse split of shares or such securities) or recapitalization of the company or such subsidiary, or any merger or consolidation of the company or such subsidiary with any other subsidiary thereof, or any other transaction (whether or not with or into or otherwise involving an Interested Member), that has the effect, directly or indirectly, of increasing the proportionate share of (A) outstanding shares or such securities or securities of such subsidiary which are beneficially owned by an Interested Member or any of its affiliates or associates or (B) any securities of the company or such subsidiary that are convertible into or exchangeable for shares or such securities of such subsidiary, that are directly or indirectly owned by an Interested Member or any of its affiliates or associates.

This provision does not apply where the business combination or the transaction that resulted in the holder of shares becoming an Interested Member is approved by our board of directors prior to the time the Interested Member acquired its, his or her 15% interest.

Our LLC Agreement generally authorizes only our independent directors to nominate and fill vacancies on our board of directors created by the failure to stand for re-election, resignation, removal from office, death or incapacity of our independent directors. Any vacancy created by the failure to stand for re-election, resignation, removal from office, death or incapacity by a non-independent director will be filled based on a nomination by the Manager or the Sub-Manager, as applicable, and filled by the affirmative vote of a majority of the remaining directors in office. This provision could prevent a holder of shares from effectively obtaining an indirect majority representation on our board of directors by permitting the existing board of directors to increase the number of directors and to fill the vacancies with its own nominees. Our LLC Agreement also provides that directors may be removed, with or without cause, only by the affirmative vote of holders of a majority of the outstanding shares entitled to be cast in the election of directors.

Our LLC Agreement also provides that holders of shares seeking to bring business before an annual meeting of holders of shares or to nominate candidates for election as directors at an annual meeting of holders of shares, must provide notice thereof in writing to us not less than 120 days and not more than 150 days prior to the anniversary date of the mailing of the notice of the preceding year's annual meeting of holders of shares or as otherwise required by requirements of the Exchange Act. In addition, the holder of shares furnishing such notice must be a holder of shares of record on both (1) the date of delivering such notice and (2) the date of the meeting, who is entitled to vote at such meeting. Our LLC Agreement specifies certain requirements as to the form and content of a holder's notice, as the case may be. These provisions may preclude holders of shares from bringing matters

at an annual meeting or from making nominations for directors at an annual or special meeting.

Authorized but unissued shares are available for future issuance, without approval of the holders of our shares. Moreover, our LLC Agreement authorizes our board of directors, without the approval of any of our shareholders, to increase the number of shares we are authorized to issue and to classify and reclassify any authorized but unissued class or series of shares into any other class of series of shares having such designations, preferences, rights, powers and duties as may be specified by our board of directors. These additional shares may be utilized for a variety of purposes, including our distribution reinvestment plan, as well as follow-on public offerings. A majority of the independent directors who do not have an interest in the transaction must approve any offering of preferred shares. The existence of authorized but unissued shares could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger or otherwise, or could allow us to create a shareholder rights plan.

In addition, our board of directors has broad authority to amend our LLC Agreement, as discussed below. Our board of directors could, in the future, choose to amend our LLC Agreement to include other provisions which have the intention or effect of discouraging takeover attempts.

Amending our LLC Agreement

Other than amendments that do not require shareholder approval as discussed below, our LLC Agreement may be amended by our shareholders upon the affirmative vote or consent of the majority of the outstanding shares.

Amendment by Our Board of Directors Without the Consent of Our Shareholders

A majority of our board of directors may, without the consent of our shareholders, amend our LLC Agreement to effect any change for the benefit or protection of our shareholders, including:

- adding to the representations, duties or obligations of our board of directors, or surrendering any of our board of directors' rights or powers granted to our board of directors in the LLC Agreement;
- creating any class or series of shares, increasing the number of our authorized shares, issuing additional shares of our authorized but unissued shares and setting the offering terms of such shares;
- curing any ambiguity in our LLC Agreement, or correcting or supplementing any provision of our LLC Agreement that may be internally inconsistent with any other provision in the LLC Agreement or adding any other provision with respect to matters or questions arising under the LLC Agreement that will not be inconsistent with the terms of the LLC Agreement;
- preserving our status as a "partnership" for U.S. federal income tax purposes;
- ensuring that we will not be treated as an association or a publicly traded partnership taxable as a corporation under the Code;
- deleting or adding any provision required to be deleted or added by the SEC or any other federal or state regulatory body or other agency (including any "blue sky" commission) or by any government administrator or similar such official;
- facilitating the trading of Class A shares, Class T shares, Class D shares, Class I shares, Class FA shares or Class S shares (including any division of such class or series or other actions to facilitate the uniformity of tax items and attributes within each such class or series of shares that are listed);
- permitting our shares to fall into an exemption from the definition of "plan assets" under the Plan Asset Regulations;
- under certain circumstances, amending the allocation provisions, in accordance with the advice of tax counsel, accountants or the IRS, to the minimum extent necessary;
- changing our name or the location of our principal office; and
- electing for the company to be governed by any successor Delaware statute governing limited liability companies.

Ratification of our LLC Agreement

Our LLC Agreement was reviewed and ratified by a majority vote of our board of directors and our independent directors.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences material to the purchase, ownership and disposition of the shares. Unless otherwise specifically indicated herein, this summary addresses the tax consequences only to a beneficial owner of shares that is (i) an individual citizen or resident of the United States, (ii) a corporation organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if a court within the United States is asked to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantive decisions of the trust (or a trust that has made a valid election to be treated as a U.S. trust) or (iv) an estate, the income of which is subject to U.S. federal income taxation regardless of its source (a "U.S. shareholder"). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase shares by any particular shareholder. This summary also does not address the tax consequences to (1) shareholders that may be subject to special treatment under U.S. federal income tax law, such as banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, traders in securities that elect to mark to market and dealers in securities or currencies, (2) except to the extent discussed below, tax-exempt organizations (including individual retirement accounts and pension plans) and non-U.S. shareholders, (3) shareholders that will hold shares as part of a position in a "straddle" or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes, (4) shareholders whose functional currency is not the U.S. dollar, (5) shareholders holding their shares through a partnership or similar pass-through entity or (6) shareholders that do not hold their shares as capital assets.

This summary is based on the Code, Treasury regulations, current administrative interpretations and practices of the IRS (including administrative interpretations and practices expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings) and judicial decisions in effect as of the date of this prospectus, all of which are subject to change at any time (possibly with retroactive effect) or different interpretations. As the law is technical and complex, the discussion below necessarily represents only a general summary. Moreover, except to the limited extent discussed below, the effect of any applicable state, local or foreign tax laws is not discussed.

There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein. We have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of acquiring, owning or disposing of the shares. Prospective shareholders should consult their tax advisors in determining the tax consequences of an investment in the shares, including the application of state, local or other tax laws and the possible effects of changes in U.S. federal or other tax laws.

Classification as a Partnership

Clifford Chance US LLP acted as our counsel in connection with our initial public offering, our initial follow-on public offering, and is acting as our counsel in connection with this offering. In connection with each of our initial public offering, our initial follow-on public offering, and this offering, we received an opinion of Clifford Chance US LLP to the effect that, although the matter is not free from doubt due to the lack of clear guidance and direct authority, our method of operation, as described in this prospectus and our other public filings, and as represented by us to Clifford Chance US LLP, has permitted, and our proposed method of operation will continue to permit us to be classified for U.S. federal income tax purposes as partnership and not as an association or a publicly traded partnership taxable as a corporation. Shareholders should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in any such opinion. It must be emphasized that the opinion of Clifford Chance US LLP was and will be based on various assumptions relating to our organization, operation, assets and activities, and that all factual representations and statements set forth in all relevant documents, records and instruments are true and correct, all actions described in our prior public filings were, and all actions described in this prospectus will be completed in a timely fashion and that we will at all times operate in accordance with the method of operation described in our LLC Agreement and this prospectus, and will be conditioned upon factual representations and covenants made by us, and our board of directors regarding our organization, operation, assets, activities, and conduct of our operations, and assumed that such representations and covenants are accurate and complete. Such representations include, as discussed further below, representations to the effect that, until our shares are listed on an exchange (if ever), we will not take any affirmative action to intentionally establish a market for the shares; we will use our best efforts to ensure that the shares will not be deemed to be traded on an established securities market or a secondary market; we will strictly adhere to our LLC Agreement, which contains transfer restrictions intended to avoid publicly traded partnership status; and, in any event, we will meet the "qualifying income exception" described below.

Under Section 7704 of the Code, unless certain exceptions apply, a publicly traded partnership is generally treated and taxed as a corporation, and not as a partnership, for U.S. federal income tax purposes. A partnership is a publicly traded partnership if (i) interests in the partnership are traded on an established securities market or (ii) interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof. The Section 7704 Regulations provide guidance with respect to such classification standards, and create certain safe harbor standards which, if satisfied, generally preclude classification as a publicly traded partnership. Failure to satisfy a safe harbor provision under the Section 7704 Regulations will

not cause an entity to be treated as a publicly traded partnership if, taking into account all facts and circumstances, the partners are not readily able to buy, sell or exchange their interests in a manner that is comparable, economically, to trading on an established securities market.

While it is expected that we have operated and will continue to operate so that we qualify to be treated for U.S. federal income tax purposes as a partnership, and not as an association or a publicly traded partnership taxable as a corporation, given the highly complex nature of the rules governing partnerships, the ongoing importance of factual determinations, the lack of direct guidance with respect to the application of tax laws to the activities we are undertaking and the possibility of future changes in our circumstances, it is possible that we will not qualify to be taxed as a partnership for any particular year. Clifford Chance US LLP has no obligation to advise us or our shareholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. Our shares will not be listed on an exchange or quoted through a national quotation system for the foreseeable future, if ever. Our LLC Agreement provides for certain restrictions on transferability intended to ensure that we qualify as a partnership for U.S. federal income tax purposes and that we are not taxable as a publicly traded partnership. Under our LLC Agreement, prior to a listing of our shares on a national securities exchange, no transfer (including any share repurchases) of an interest may be made if it would result in our being treated as a publicly traded partnership. In addition, we may, without the consent of any shareholder, amend our LLC Agreement in order to improve, upon advice of counsel, our position in avoiding such publicly traded partnership status (and we may impose time-delay and other restrictions on recognizing transfers (including any share repurchases) as necessary to do so).

If we were treated as a publicly traded partnership for U.S. federal income tax purposes, we would nonetheless remain taxable as a partnership if 90% or more of our income for each taxable year in which we were a publicly traded partnership consisted of "qualifying income" and we were not required to register under the Investment Company Act (the "qualifying income exception"). Qualifying income generally includes interest (other than interest generated from a financial business), dividends, real property rents, gain from the sale of assets that produce qualifying income and certain other items. Although there is no direct authority regarding whether activities similar to those conducted by us could be treated as a financial business for this purpose, the IRS has privately ruled that interest income on loans made to subsidiaries and not to customers in connection with a banking or other financing business is qualifying income for purposes of the publicly traded partnership rules. Although private letter rulings are binding on the IRS only with respect to the particular taxpayers who requested and received those rulings, such authority may nonetheless provide valuable indications of the IRS's views on specific issues. In addition, to the extent that we invest in levered loans through a CFC, as discussed below in "—Investments in Non-U.S. Corporations," we intend to currently distribute any Subpart F inclusions and treat such Subpart F inclusions as qualifying income for purposes of the qualifying income exception. Since our gross income largely consists of dividend and interest income from our subsidiaries, we expect to satisfy the qualifying income exception. However, no assurance can be given that the actual results of our operations for any taxable year will satisfy the qualifying income exception.

If, for any reason we become taxable as a corporation for U.S. federal income tax purposes, our items of income and deduction would not pass through to our shareholders and our shareholders would be treated for U.S. federal income tax purposes as shareholders in a corporation. We would be required to pay income tax at corporate rates on our net income. Distributions by us to shareholders would constitute dividend income taxable to such shareholders, to the extent of our earnings and profits, and the payment of these distributions would not be deductible by us. Our failure to qualify as a partnership for U.S. federal income tax purposes would have a material adverse effect on us, our shareholders and the value of the shares.

If we are a publicly traded partnership and at the end of any taxable year we fail to meet the qualifying income exception, we may still qualify as a partnership if we are entitled to relief under the Code for an inadvertent termination of partnership status. This relief will be available if (i) the failure is cured within a reasonable time after discovery, (ii) the failure is determined by the IRS to be inadvertent, and (iii) we agree to make such adjustments or to pay such amounts as are determined by the IRS. It is not possible to state whether we would be entitled to this relief in any or all circumstances. It also is not clear under the Code whether this relief would be available for our first taxable year as a publicly traded partnership. Even if this relief provision applies and we retain our partnership qualification, we or our shareholders (during the failure period) will be required to pay the amounts determined by the IRS.

The remainder of this discussion assumes we will qualify to be taxed as a partnership for U.S. federal income tax purposes.

Partnership Allocations and Adjustments

As indicated above, in general, our company is classified as a partnership for U.S. federal income tax purposes and, as a partnership, we are not a taxable entity. Rather, our items of income, gain, loss, deduction and credit (if any), and the character of such items (e.g., as interest or dividend income, as investment interest deductions or as capital gain or ordinary income), generally flow through to the U.S. shareholders, with each shareholder reporting its distributive share of such items on the shareholder's U.S. federal income tax return for the taxable year which includes the end of our taxable year.

For U.S. federal income tax purposes, a U.S. shareholder's share of our income, gain, loss, deduction and other items is determined by the LLC Agreement, unless an allocation under this agreement does not have "substantial economic effect," in which case the allocations will be determined in accordance with the "partners' interests in the partnership." Under the LLC Agreement, items of income, gain, loss, deduction and credit generally are allocated among our shareholders consistent with the distribution provisions contained in the LLC Agreement with allocations attributable to the management and incentive fees and distribution and shareholder servicing fees allocated to the classes of shares in accordance with how such fees are attributable to such classes of shares. Subject to the discussion below under "—Monthly Allocation and Revaluation Conventions" and "—Section 754 Election," the allocations pursuant to the LLC Agreement should be considered to have substantial economic effect.

If the allocations provided by the LLC Agreement were successfully challenged by the IRS, the amount of income or loss allocated to a U.S. shareholder for U.S. federal income tax purposes under the agreement could be increased or decreased, the timing of income or loss could be accelerated or deferred, or the character of the income or loss could be altered.

As described in more detail below, the U.S. tax rules that apply to partnerships are complex and their application is not always clear. We will apply certain assumptions and conventions intended to comply with the intent of the rules and to report income, gain, deduction, loss and credit to shareholders in a manner that reflects the shareholders' economic gains and losses, but these assumptions and conventions may not comply with all aspects of the applicable Treasury regulations. It is possible therefore that the IRS will successfully assert that these assumptions or conventions do not satisfy the technical requirements of the Code or the Treasury regulations and will require that items of income, gain, deduction, loss and credit be adjusted or reallocated in a manner that could be adverse to a U.S. shareholder.

Pass-through Deduction for Qualified Business Income

For taxable years beginning before 2026, the Tax Cuts and Jobs Act permits a deduction (a "Section 199A Deduction") for certain "qualified business income" generated by the U.S. business operations of a partnership or other flow-through entity, which may allow non-corporate U.S. shareholders to deduct up to 20% of such amounts. Qualified business income does not include investment income, such as dividends or interest income not allocable to a trade or business. Given that our income largely consists of dividend and interest income from our subsidiaries, it is not expected that a non-corporate U.S. shareholder will be entitled to a Section 199A Deduction with respect to its allocable share of income from us.

Tax Basis in the Shares

A U.S. shareholder's adjusted tax basis in the shares generally is equal to the amount such U.S. shareholder paid for the shares (1) increased by any income or gain of the company that is allocated to the U.S. shareholder, by the U.S. shareholder's proportionate share of liabilities of the company, and by the amount of any capital contributions the U.S. shareholder makes to the company, and (2) decreased, but not below zero, by any loss or expense of the company that is allocated to the U.S. shareholder, by any reduction in the U.S. shareholder's proportionate share of liabilities of the company, and by the amount of any cash and the tax basis of any property distributed to the U.S. shareholder. For a description of the allocation of income, gain, loss and expense to a U.S. shareholder, see "—Partnership Allocations and Adjustments."

Distributions on the Shares

Distributions on our shares generally are not taxable to a U.S. shareholder, except to the extent that the cash the U.S. shareholder receives exceeds such U.S. shareholder's adjusted tax basis in the shares. Rather, such distribution reduces (but not below zero) the tax basis in the shares held by the U.S. shareholder. Cash distributions in excess of a U.S. shareholder's adjusted tax basis in the shares generally will be treated as gain from the sale or exchange of the shares, taxable in accordance with the rules described under "—Sale, Exchange or Other Taxable Disposition of Shares."

Upon a liquidating distribution of cash by us (a distribution to a U.S. shareholder that terminates such U.S. shareholder's interest in us), a U.S. shareholder generally will recognize gain or loss from the sale or exchange of the shares, taxable in accordance with the rules described under "—Sale, Exchange or Other Taxable Disposition of Shares."

In addition, the per share amount of distributions on Class A, Class S, Class FA, Class T, Class D and Class I shares may differ because of different allocations of certain class-specific expenses. For example, the payment of the distribution and shareholder servicing fees over time with respect to the Class T and Class D shares will be paid from cash distributions that would otherwise be distributable to the shareholders of Class T and Class D shares. Accordingly, the Class T and Class D shareholders will receive a lower cash distribution than the Class A, Class FA, Class S and Class I shareholders as a result of economically bearing the obligation of the company to pay such fees. Additionally, since the management and incentive fees for the non-founder shares are higher than the management and incentive fees for the founder shares, over time, the non-founder shareholders will receive a lower cash distribution than the founder share shareholders as a result of economically bearing a greater proportionate share of the obligation of the company to pay such fees. See "—Partnership Allocations and Adjustments". The payment of such fees and any other class-specific expenses is specially allocated to the class of shares that are bearing these fees.

Some shareholders are not able to deduct these fees for tax purposes, which may result in shareholder's taxable income from the company exceeding the amount of cash distributions made to such shareholders. See "Certain U.S. Federal Income Tax Considerations—Limitations on Deductibility of Certain Losses and Expenses."

Participation in our Distribution Reinvestment Plan

Although the tax treatment of participation in corporate dividend reinvestment plans is well-established, the treatment of participation in our distribution reinvestment plan is less clear because we expect to be taxed as a partnership for U.S. federal income tax purposes, rather than as a corporation. If the general principles applicable to corporate dividend reinvestment plans were to apply to us, shareholders participating in our distribution reinvestment plan would be treated as having received the applicable distribution and immediately contributed such amount to us in exchange for additional shares. We have maintained and intend to continue to maintain our records consistent with such an approach in that we will show a distribution to shareholders participating in our distribution reinvestment plan and an associated purchase by them of shares from us. The interests of shareholders not participating in the distribution reinvestment plan are diluted by the shareholders participating in the distribution reinvestment plan.

If the IRS were to treat participation in our distribution reinvestment plan in a similar fashion, a shareholder who participates in our distribution reinvestment plan will be treated as receiving all cash distributions reinvested in shares pursuant to our distribution reinvestment plan. Such distributions would be treated for tax purposes like other cash distributions. See "—Distributions on the Shares." Generally speaking, the Treasury regulations provide that when a partner makes an additional cash contribution to a partnership, the holding period of that partner's partnership interest becomes a "split" holding period, with the portion of the interest attributable to the additional contribution (determined by the ratio of the amount of the additional cash contribution to the fair market value of the partnership interest after the contribution) treated as having a holding period that begins the day following the date of the additional contribution and the balance of the partnership interest retaining the holding period that such partner had prior to the contribution. A special rule under the Treasury regulations also provides, however, that in determining the holding period of a partnership interest upon a sale of the interest, cash distributions received during the one-year period prior to the sale may be applied to reduce the cash contributions made during that period, on a last-in-first-out basis. Application of this special rule may, in many instances, prevent a shareholder from having a short-term holding period with respect to a portion of his interest in us at the time of a sale of all or part of such interest if the only shares acquired by the shareholder during the one-year period preceding such sale were acquired through our distribution reinvestment plan. For the tax treatment of any gain on such a sale, see "—Sale, Exchange or Other Taxable Disposition of Shares."

While, as noted above, the Treasury regulations generally provide that an interest in a partnership (or an entity treated as a partnership, such as us) is a single interest, with the result that a member's interest in us can (subject to the special rule mentioned in the preceding paragraph) have a "split" holding period upon the acquisition of additional shares, there is an exception to this rule that permits a partner in a publicly traded partnership to treat separately identifiable units therein that were acquired at different times to have different holding periods.

Alternatively, it is possible that shareholders who participate in our distribution reinvestment plan might not be considered by the IRS to have received cash distributions and that the additional shares that were registered in their names pursuant to the distribution reinvestment plan reflect the dilution of the interests in us of those shareholders who did not participate in our distribution reinvestment plan, such dilution being effected by the issuance of such additional shares to the shareholders who participate in our distribution reinvestment plan.

For a shareholder who participates in our distribution reinvestment plan, the deemed distribution and corresponding investment will not, in and of themselves, have any net effect on the aggregate basis of such shareholder's shares. This is the case even though such shareholder's basis would be reduced by the amount of the distribution, because such shareholder's basis would be increased by an equal amount as a result of the corresponding reinvestment. Such shareholder's share of our non-recourse liabilities—which are also included in such shareholder's basis—could increase relative to those shareholders who do not participate in our distribution reinvestment plan, however, because such shareholder's relative ownership of shares in us would be deemed to have increased.

For further information regarding the tax consequences of participation in our distribution reinvestment plan, U.S. shareholders should consult their tax advisor.

Sale, Exchange or Other Taxable Disposition of Shares

Upon the sale, exchange or other taxable disposition of shares, a U.S. shareholder generally will recognize capital gain or loss equal to the difference between the amounts realized upon the sale, exchange or other disposition and such U.S. shareholder's adjusted tax basis in the shares. A U.S. shareholder's amount realized will be measured by the sum of the cash and the fair market value of other property received plus its share, if any, of the company's liabilities. This could result in a tax liability in excess of any cash received as a result of a sale or exchange. Gain or loss recognized on the disposition of shares

generally will be capital gain or loss and will be long-term capital gain or loss if held for more than one year. Deductions for capital losses are subject to limitations.

A U.S. shareholder that sells or otherwise disposes of our shares would be subject to the 15% or 10%, as applicable, withholding tax described below under "—Taxation of Non-U.S. Shareholders" if the U.S. shareholder fails to provide the transferee or the applicable withholding agent an IRS Form W-9 or an affidavit stating the transferor's taxpayer identification number and that the transferor is not a foreign person.

Limitations on Deductibility of Certain Losses and Expenses

The deductibility for U.S. federal income tax purposes of a U.S. shareholder's share of our losses and expenses is subject to certain limitations, including, but not limited to, rules providing that: (1) a U.S. shareholder may not deduct an allocable share of our losses that are allocated in excess of such U.S. shareholder's adjusted tax basis in our shares; (2) individuals and personal holding companies may not deduct the losses allocable to a particular "activity" in excess of the amount that they are considered to have "at risk" with respect to the activity; (3) individuals and certain closely-held corporations may not deduct losses from a "passive activity" against active income or portfolio income, such as the dividend and interest income from our subsidiaries; (4) the ability of individuals to take certain itemized deductions may be limited by the "alternative minimum tax"; and (5) a non-corporate U.S. shareholder generally will not be entitled to deductions for "miscellaneous itemized deductions;" however, beginning in 2026, a non-corporate U.S. shareholder may deduct its share of our expenses to the extent that such share, together with such non-corporate U.S. shareholder's other miscellaneous itemized deductions, exceeds 2% of such non-corporate U.S. shareholder's adjusted gross income, subject to reduction by an amount equal to the lesser of: (i) 3% of the excess of such non-corporate U.S. shareholder's adjusted gross income over the threshold amount or (ii) 80% of the amount of the itemized deductions otherwise allowable. Otherwise allowable deductions with respect to our management and incentive fees and other expenses may be treated as miscellaneous itemized deductions subject to the limitations discussed above to the extent they are attributable to investment activities, or may have to be capitalized. To the extent that a U.S. shareholder is allocated a loss or expense that cannot currently be deducted, the U.S. shareholder may be required to report taxable income in excess of the U.S. shareholder's economic income or cash distributions on the shares.

Under Section 709(b) of the Code, amounts paid or incurred to organize a partnership may, at the election of the partnership, be treated as deferred expenses, which are allowed as a deduction ratably over a period of 180 months. We made such an election in our 2018 tax return. A non-corporate U.S. shareholder's allocable share of such organizational expenses would constitute miscellaneous itemized deductions. Expenditures in connection with the issuance and marketing of shares (so called "syndication fees") are not eligible for the 180 month amortization provision and are not deductible.

To the extent that a U.S. shareholder is allocated syndication fees or other losses or expenses that cannot currently be deducted, the amount of such syndication fees, losses or expenses may reduce a capital gain (or increase a capital loss) upon sale or liquidation of such U.S. shareholder's interest. U.S. shareholders are urged to consult their tax advisors with regard to these and other limitations on the ability to deduct losses or expenses with respect us.

Monthly Allocation and Revaluation Conventions

In general, our taxable income and losses are determined monthly and are apportioned among the shareholders in proportion to the number of shares treated as owned by each of them as of the close of the last day of the preceding month. By investing in shares, a shareholder agrees that, in the absence of an administrative determination or judicial ruling to the contrary, such shareholder will report income and loss under the monthly allocation and revaluation conventions described below. Under the monthly allocation convention, the person that was treated for U.S. federal income tax purposes as holding a share as of the close of the last day of the preceding month will be treated as continuing to hold that share until immediately before the close of the last day of the following month. As a result, a shareholder that is transferring shares or whose shares are redeemed prior to the close of the last day of a month may be allocated income, gain, loss and deduction realized after the date of transfer. The Code generally requires that items of partnership income and deductions be allocated between transferors and transferees of partnership interests on a daily basis. It is possible that transfers of shares could be considered to occur for these purposes when the transfer is completed without regard to our monthly convention for allocating income and deductions. In that event, our allocation method might be viewed as violating that requirement.

In addition, for any month in which a creation or repurchase of shares takes place, including the acquisition of shares in connection with our distribution reinvestment plan, we generally will credit or debit, respectively, the "book" capital accounts of the shareholders of existing shares with any unrealized gain or loss in the portfolio. This will result in the allocation of items of our income, gain, loss, deduction and credit to existing shareholders to account for the difference between the tax basis and fair market value of property owned by us at the time new shares are issued or old shares are redeemed ("reverse section 704(c) allocations"). The intended effect of these allocations is to allocate any built-in gain or loss in the portfolio at the time of a creation or redemption of shares to the shareholders that economically have earned such gain or loss. As with the other allocations

described above, we generally will use a monthly convention for purposes of the reverse section 704(c) allocations. More specifically, we will credit or debit, respectively, the "book" capital accounts of shareholders of existing shares with any unrealized gain or loss in our assets based on the lowest fair market value of the assets and shares, respectively, during the month in which the creation or redemption transaction takes place, rather than the fair market value at the time of such creation or redemption (the "monthly revaluation convention"). As a result, it is possible that, for U.S. federal income tax purposes, (1) a purchaser of newly issued shares will be allocated some or all of the unrealized gain in our assets at the time it acquires the shares or (2) an existing shareholder will not be allocated its entire share in the unrealized loss in our assets at the time of such acquisition. Furthermore, the applicable Treasury regulations generally require that the "book" capital accounts will be adjusted based on the fair market value of partnership property on the date of adjustment and do not explicitly allow the adoption of a monthly revaluation convention. The Code and applicable Treasury regulations generally require that items of partnership income and deductions be allocated between transferors and transferees of partnership interests on a daily basis, and that adjustments to "book" capital accounts be made based on the fair market value of partnership property on the date of adjustment. The Code and Treasury regulations do not contemplate monthly allocation or revaluation conventions. If the IRS does not accept our monthly allocation or monthly revaluation convention, the IRS may contend that our taxable income or losses must be reallocated among our shareholders. If such a contention were sustained, our shareholders' respective tax liabilities would be adjusted to the possible detriment of certain shareholders. Our board of directors is authorized to revise our allocation and revaluation methods in order to comply with applicable law or to allocate items of partnership income and deductions in a manner that reflects more accurately our shareholders' interest in us.

Section 754 Election

We made the election permitted by Section 754 of the Code. Such an election is irrevocable without the consent of the IRS. This election generally will require each purchaser of shares to adjust its proportionate share of the tax basis in the portfolio ("inside basis") to fair market value, as reflected in the purchase price for the purchaser's shares, as if the purchaser had acquired a direct interest in the portfolio and will require us to make a corresponding adjustment to its share of the tax basis in the portfolio that will be segregated and allocated to the purchaser of the shares. These adjustments are attributed solely to a purchaser of shares and are not added to the tax basis of the portfolio assets associated with other shareholders. Generally the Section 754 election is intended to eliminate the disparity between a purchaser's outside basis in its shares and our corresponding inside basis in the portfolio such that the amount of gain or loss that will be allocated to the purchaser on the disposition by us of portfolio assets will correspond to the purchaser's share in the appreciation or depreciation in the value of such assets since the purchaser acquired its shares. Depending on the relationship between a shareholder's purchase price for shares and such shareholder's interest in the unadjusted share of our inside basis at the time of the purchase, the Section 754 election may be either advantageous or disadvantageous to the shareholder as compared to the amount of gain or loss a shareholder would be allocated absent the Section 754 election.

The calculations under Section 754 are complex, and there is little legal authority concerning the mechanics of the calculations. To help reduce the complexity of those calculations and the resulting administrative costs to us, we will apply certain assumptions and conventions in determining and allocating the basis adjustments. It is possible that the IRS will successfully assert that the assumptions and conventions utilized by us do not satisfy the technical requirements of the Code or the Treasury regulations and will require different basis adjustments to be made. If such different adjustments were required, some shareholders could be adversely affected.

In order to make the basis adjustments permitted by a Section 754 election, we will be required to obtain information regarding each shareholder's secondary market transactions in shares, as well as creations (including distribution reinvestment plan) and redemptions of shares. We will seek such information from our record shareholders, and, by purchasing shares, each beneficial owner of shares will be deemed to have consented to the provision of such information by the record owner of such beneficial owner's shares. Notwithstanding the foregoing, however, there can be no guarantee that we will be able to obtain such information from record owners or other sources, or that the basis adjustments that we make based on the information they are able to obtain will be effective in eliminating any disparity between a shareholder's outside basis in the shares and such shareholder's interest in the inside basis in our assets.

Information Reporting with Respect to Shares

Because we file a partnership return, tax information will be reported to shareholders on an IRS Schedule K-1 for each calendar year as soon as reasonably practicable after the end of each such year, and we will use our best efforts to provide such information no later than 75 days after the end of such year. We may deliver K-1s to each of our shareholders through an online portal accessible to each such shareholder electronically. Each K-1 provided to a shareholder will set forth the shareholder's allocable share of our items of income, gain, deduction, loss and credit for such year in a manner sufficient for a U.S. shareholder to complete such shareholder's tax return with respect to its investment in the shares.

A U.S. shareholder generally is required to treat items on the shareholder's U.S. federal income tax returns consistently with our treatment of such items, as reflected on the Schedules K-1, unless the U.S. shareholder files a statement with such shareholder's U.S. federal income tax returns, IRS Form 8082, describing any inconsistency.

Shareholders are urged to consult their tax advisors with regard to applicable U.S. federal, state, local, and non-U.S. reporting requirements resulting from an investment in the shares.

Each shareholder, by such shareholder's acquisition of shares, will be deemed to agree to allow brokers and nominees to provide to us the shareholder's name and address and such other information and forms as may be reasonably requested by us for purposes of complying with certain tax reporting and withholding obligations (and to waive any confidentiality rights with respect to such information and forms for such purpose) and to provide such information or forms upon request.

Tax Audits

We have designated a "partnership representative" with a substantial presence in the United States to have sole authority to act on our behalf in the event of a tax proceeding involving the company, including an IRS audit. The Manager serves as our partnership representative. The partnership representative will have considerable authority with respect to the U.S. federal income tax treatment of our items and the procedural rights of our shareholders. For instance, the partnership representative will have the authority to extend the statute of limitations on behalf of our shareholders with respect to our items and to effect settlements with the IRS that bind our shareholders to pay tax deficiencies. In addition, unless we elect otherwise, any adjustments, penalties and interest imposed as a result of an audit of our U.S. federal income tax returns will be assessed at the company level in the year in which the adjustments are finalized at the higher of the maximum applicable rate of U.S. federal income tax for corporations or for individuals in respect of the relevant item. In certain circumstances, the amount of tax, penalties and interest imposed will be reduced where a shareholder or a former shareholder files an amended tax return and pays tax for the taxable year subject to the audit, or to the extent it is established that a portion of the adjustment is attributable to a shareholder or former shareholder that would have been exempt from tax in respect of the relevant item, or by reason of such shareholder's status as a C corporation or an individual (an S corporation being treated as an individual for this purpose) is subject to a reduced highest applicable rate of U.S. federal income tax in respect of the relevant item.

The partnership representative will use commercially reasonable efforts to minimize the financial burden of any partnership adjustment to our shareholders. In addition, we may elect to issue to our shareholders and former shareholders revised statements of their allocable shares of taxable income, gain, loss, deduction and credit, in which case such shareholders and former shareholders will be subject to U.S. federal income tax in the year of the statement based upon the effect the adjustment would have on their prior taxable years. Our LLC Agreement requires that our shareholders and former shareholders indemnify us for their allocable share of any "imputed underpayment" (as defined in Section 6225 of the Code) imposed on us in any taxable year in which such shareholder or former shareholder held shares. Our LLC Agreement also requires that our shareholders reimburse the partnership representative and us for the costs of the partnership representative and us in contesting the partnership adjustment, and advance any deposit required to contest such partnership adjustment, in accordance with the interests of our shareholders and former shareholders during the reviewed taxable year, as determined by our board of directors in its discretion.

Prospective shareholders should consult their tax advisors regarding the impact of the revised partnership audit rules on an investment in the shares.

Reportable Transactions

There are circumstances under which certain transactions must be disclosed to the IRS in a disclosure statement attached to a taxpayer's U.S. federal income tax return. (A copy of such statement must also be sent to the IRS Office of Tax Shelter Analysis.) In addition, the Code imposes a requirement on certain "material advisers" to maintain a list of persons participating in such transactions, which list must be furnished to the IRS upon written request. These provisions can apply to transactions not conventionally considered to involve abusive tax planning. Consequently, it is possible that such disclosure could be required by our shareholders (1) if a shareholder incurs a loss (in each case, in excess of a threshold computed without regard to offsetting gains or other income or limitations) from the disposition of shares, or (2) possibly in other circumstances. Furthermore, our material advisers could be required to maintain a list of persons investing in us pursuant to the Code. While the tax shelter disclosure rules generally do not apply to a loss recognized on the disposition of an asset in which the taxpayer has a qualifying basis (generally a basis equal to the amount of cash paid by the taxpayer for such asset), such rules will apply to a taxpayer recognizing a loss with respect to interests in a pass-through entity (such as our shares) even if the taxpayer's basis in such interests is equal to the amount of cash such taxpayer paid. Significant penalties may be imposed in connection with a failure to comply with these reporting requirements. U.S. shareholders are urged to consult their tax advisors regarding the tax shelter disclosure rules and their possible application to them.

Tax Exempt Organizations

An organization that is otherwise exempt from U.S. federal income tax generally is nonetheless subject to taxation with respect to its UBTI. Except as noted below with respect to certain categories of exempt income, UBTI generally includes income or gain derived (either directly or through a partnership) from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the organization's exempt purpose or function. UBTI generally does not include passive investment income, such as dividends, interest and capital gains, whether realized by the organization directly or indirectly through a partnership (such as us) in which it is a partner. However, if a tax-exempt entity's acquisition of a partnership interest is debt financed, or the partnership incurs "acquisition indebtedness," all or a portion of the income or gain attributable to the "debt financed property" would also be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interest or capital gains. In order to minimize the recognition of UBTI by tax-exempt shareholders, we intend to make levered investments and investments in entities taxed as partnerships through subsidiaries taxed as corporations for U.S. federal income tax purposes. We do not expect to make debt financed acquisitions of investments or otherwise make an investment that would result in the recognition of UBTI, other than through our corporate subsidiaries.

Tax-exempt shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of investing in the shares.

Investments in U.S. Corporations

As part of our investment strategy we have established, and may in the future establish additional, levered investment entities taxed as corporations for U.S. federal income tax purposes to hold investments in our portfolio companies that are taxed as partnerships for U.S. federal income tax purposes. These corporate investment entities are subject to U.S. corporate income tax at the regular corporate rate of 21% (plus applicable state and local taxes), which could reduce the returns available to our shareholders.

Investments in Non-U.S. Corporations

To the extent that we establish non-U.S. corporations to invest in leveraged loans to mitigate UBTI for U.S. tax-exempt shareholders, such non-U.S. corporations are likely to be CFCs. Special rules apply to U.S. persons who own, directly or indirectly and applying certain attribution rules, 10% or more of the total combined voting power of all classes of stock of a non-U.S. corporation or 10% or more of the total value of shares of all classes of stock of a non-U.S. corporation (each, a "U.S. Shareholder") that is a CFC. A non-U.S. corporation generally will be a CFC if U.S. Shareholders collectively own more than 50% of the total combined voting power or total value of the corporation's stock during any taxable year. U.S. Shareholders of a CFC are required to include in taxable income (as a deemed dividend) for U.S. federal income tax purposes amounts attributable to some or all of the "Subpart F" income (including interest income) of a non-U.S. corporation in advance of the receipt of cash attributable to such amounts. Any amounts so included in a U.S. shareholder's taxable income will decrease the amount of taxable gain (or increase the amount of tax loss) recognized by the U.S. shareholder on a sale or other disposition by us of stock of the non-U.S. corporation (or on a sale or other disposition by the U.S. shareholder of such U.S. shareholder's shares). In addition, any gain realized by a U.S. shareholder upon disposition of the stock of a non-U.S. corporation treated as a CFC may be required to be treated as ordinary income. The IRS has issued Treasury regulations that specify that a Subpart F income inclusion will be treated as qualifying income for purposes of the qualifying income exception, discussed above in "— Classification as a Partnership," only to the extent that the CFC makes distributions out of its earnings and profits in the same taxable year. We intend to currently distribute any Subpart F inclusions and treat such Subpart F inclusions as qualifying income for purposes of the qualifying income exception.

Taxation of Non-U.S. Shareholders

As used herein, the term "non-U.S. shareholder" means a beneficial owner of shares that is not a U.S. shareholder. We intend to conduct our activities in such a manner that a non-U.S. shareholder of the shares who is not otherwise carrying on a trade or business in the United States should not be considered to be engaged in a trade or business in the United States as a result of an investment in the shares. However, if we invest in a portfolio company that is a "United States real property holding corporation" as defined in the Code (generally, a domestic corporation in which the fair market value of its United States real property interests represents at least 50% of the fair market value of the U.S. and non-U.S. real property interests and any other trade or business assets of such company) (a "USRPHC"), gain from the sale of our interest in such portfolio company will be treated as income effectively connected with a U.S. trade or business (other than with respect to non-U.S. shareholders that are treated as "qualified foreign pension funds" under the Code). Non-U.S. persons treated as engaged in a U.S. trade or business are generally subject to U.S. federal income tax at the graduated rates applicable to U.S. persons on their net income which is considered to be effectively connected with such U.S. trade or business and would be required to file U.S. tax returns with respect to such income. Non-U.S. shareholders would be subject to U.S. federal withholding tax on such effectively connected income at the highest U.S. federal income tax rate applicable to such non-U.S. shareholder. To the extent that the withheld tax exceeds

a non-U.S. shareholder's actual U.S. federal income tax liability, the shareholder may apply for a refund. Non-U.S. shareholders that are corporations may also be subject to a 30% branch profits tax. The 30% rate applicable to branch profits may be reduced or eliminated under the provisions of an applicable income tax treaty between the United States and the country in which the non-U.S. shareholder resides or is organized. There can be no assurance that the IRS will not assert successfully that some portion of our income is properly treated as effectively connected income with respect to our shareholders.

We expect that our income will primarily consist of dividend and interest income that is not effectively connected with a U.S. trade or business. A non-U.S. shareholder generally will be subject to a U.S. federal withholding tax of 30% (unless reduced by an applicable treaty) with respect to its allocable share of U.S. source dividend and interest income (whether or not distributed). U.S. federal tax withholding is generally not required, however, on "portfolio interest," provided a non-U.S. shareholder certifies its non-U.S. status to us and certain other requirements are met. Certain debt assets, however, including debt assets providing for interest based on the income or profits of the borrower and interest derived from a borrower in which the shareholder has an ownership interest of 10% or more of the voting stock of the borrower or 10% or more of the capital or profits of a borrower that is a partnership (either directly or through certain attribution of ownership provisions), may not be eligible for the portfolio interest exemption with respect to such shareholder, in which case the interest income would be subject to U.S. federal withholding tax at a rate of 30% (or a lower treaty rate, if applicable). In order to be eligible for the benefits of the portfolio interest exemption or any applicable income tax treaty, non-U.S. shareholders generally will be required to certify their non-U.S. status by providing us with an executed IRS Form W-8.

Subject to the discussion below, a non-U.S. shareholder generally should not be subject to U.S. federal income tax on gains on the sale of the shares or on such U.S. shareholder's share of our gains. However, in the case of an individual non-U.S. shareholder, such shareholder will be subject to U.S. federal income tax on gains on the sale of shares or such shareholder's share of our gains if such non-U.S. shareholder is present in the United States for 183 days or more during a taxable year and certain other conditions are met. If we are engaged in a U.S. trade or business or we hold a portfolio company that constitutes a USRPHC, as discussed above, a portion of any gain recognized by a non-U.S. shareholder on the sale or exchange of its shares may be treated for U.S. federal income tax purposes as effectively connected income, and hence such non-U.S. shareholder may be subject to U.S. federal income tax on the sale or exchange. In addition, the transferee or the applicable withholding agent would be required to deduct and withhold a tax equal to 15% or 10%, as applicable, of the amount realized on the disposition by the transferor that is a non-U.S. shareholder. If the 10% withholding tax applies and the transferee fails to properly withhold such tax, we may be required to deduct and withhold from distributions to the transferee a tax in an amount equal to the amount the transferee failed to withhold, plus interest. Each shareholder, by such shareholder's acquisition of shares, will be deemed to agree to allow brokers and nominees to provide to us the shareholder's name and address and such other information and forms as may be reasonably requested by us for purposes of complying with certain tax reporting and withholding obligations (and to waive any confidentiality rights with respect to such information and forms for such purpose) and to provide such information or forms upon request.

Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA"), and the Treasury regulations promulgated thereunder, generally impose a 30% withholding tax with respect to certain U.S. source income (including interest and dividends). As a general matter, these rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS. The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership. Shareholders will be required to provide us with any information required in order to comply with FATCA. Under certain circumstances, investors could be subject to reporting obligations under FATCA, and could be subject to the withholding tax described above, to the extent they do not comply with such requirements.

Shareholders should consult their tax advisor regarding the requirements under FATCA with respect to their situation.

Backup Withholding

We may be required in certain circumstances to backup withhold on certain payments paid to non-corporate shareholders who do not furnish us their correct taxpayer identification number (in the case of individuals, their social security number) and certain certifications, or who are otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amount withheld generally will be treated as distributed to each particular shareholder. Any amounts withheld from payments made to a shareholder may be refunded or credited against such shareholder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Medicare Tax

Certain U.S. shareholders that are individuals, estates or trusts are required to pay an additional 3.8% tax on the lesser of the excess of their modified adjusted gross income over a threshold amount or their "net investment income," which includes,

among other things, net income from interest, dividends and capital gains attributable to the disposition of investment property (such as our shares). U.S. shareholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our shares.

Certain State, Local and Foreign Income Tax Matters

In addition to the U.S. federal income tax consequences described above, prospective shareholders should consider potential state and local tax consequences of an investment in us. State and local laws often differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A shareholder's distributive share of our taxable income or loss generally will be required to be included in determining such shareholder's reportable income for state and local tax purposes in the jurisdiction in which such shareholder is a resident. One or more states may impose reporting requirements on us and/or our shareholders. Shareholders should consult with their advisors as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

Each shareholder may be required to file returns and pay state and local tax on such shareholder's share of our income in the jurisdiction in which such shareholder is a resident and/or other jurisdictions in which we earn income. We may be required to withhold and remit payment of taxes to one or more state or local jurisdictions on behalf of our shareholders. Any amount withheld generally will be treated as a distribution to each particular shareholder. However, an individual shareholder may be entitled to a deduction or credit against tax owed to his or her state of residence for income taxes paid to other state and local jurisdictions where the shareholder is not a resident.

In general, where a tax (including, without limitation, a state or local tax) is levied on us, the amount of which is levied in whole or in part based on the status or identity of a shareholder, such tax will be allocated as an expense attributable to that shareholder and the amount will be withheld from any distribution to such shareholder.

State and local taxes may be significant. Prospective shareholders are urged to consult their tax advisors with respect to the state and local tax consequences of acquiring, holding and disposing of the shares.

Foreign Taxes

It is possible that certain interest or dividends received by us from sources within foreign countries will be subject to withholding taxes imposed by such countries. In addition, we may also be subject to capital gains taxes in some of the foreign countries where we purchase and sell foreign debt obligations. Tax treaties between certain countries and the United States may reduce or eliminate such taxes. It is impossible to predict in advance the rate of foreign tax we will pay since the amount of our assets to be invested in various countries is not known. Shareholders will be informed by us as to their proportionate share of any foreign taxes paid by us, which they will be required to include in their income. Shareholders may be entitled to claim either a credit (subject to the limitations discussed below) or, if they itemize their deductions, a deduction (subject to the limitations generally applicable to deductions) for their share of such foreign taxes in computing their federal income taxes. A shareholder that is tax-exempt will not ordinarily benefit from such credit or deduction.

Generally, a credit for foreign taxes is subject to the limitation that it may not exceed the shareholder's federal tax (before the credit) attributable to such shareholder's total foreign source taxable income. A shareholder's share of our interest from non-U.S. debt securities generally will qualify as foreign source income. Generally, the source of gain and loss realized upon the sale of personal property, such as securities, will be based on the residence of the seller. In the case of a partnership, the determining factor is the residence of the partner. Thus, absent a tax treaty to the contrary, the gains and losses from the sale of securities allocable to a shareholder that is a U.S. resident generally will be treated as derived from U.S. sources (even though the securities are sold in foreign countries). Certain currency fluctuation gains, including fluctuation gains from foreign currency denominated debt securities, receivables and payables, will also be treated as ordinary income derived from U.S. sources.

Prospective shareholders should note that the limitation on the foreign tax credit is applied separately to foreign source passive income, such as interest. In addition, for foreign tax credit limitation purposes, the amount of a shareholder's foreign source income is reduced by various deductions that are allocated and/or apportioned to such foreign source income. One such deduction is interest expense, a portion of which will generally reduce the foreign source income of any shareholder who owns (directly or indirectly) foreign assets. For these purposes, foreign assets owned by us will be treated as owned by the shareholders in us and indebtedness incurred by us will be treated as incurred by shareholders in us. Because of these limitations, shareholders may be unable to claim a credit for the full amount of their proportionate share of the foreign taxes paid by us. The foregoing is only a general description of the foreign tax credit under current law. Moreover, since the availability of a credit or deduction depends on the particular circumstances of each shareholder, shareholders are advised to consult their tax advisors.

New Legislation or Administrative or Judicial Action

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative

process and by the IRS and the U.S. Treasury Department and may be changed at any time, possibly with retroactive effect. The present U.S. federal income tax treatment of an investment in the shares may be modified by administrative, legislative or judicial interpretation at any time, and any such action may affect investments and commitments previously made. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable to us and our shareholders may be enacted. For example, there have been legislative proposals that, if enacted, would fundamentally change the manner in which partnerships are taxed, including eliminating the "qualifying income exception," discussed under "Certain U.S. Federal Income Tax Consequences—Classification as a Partnership" above, that applies to prevent certain "publicly traded partnerships" from being taxable as corporations for U.S. federal income tax purposes. Prospective investors should consult their tax advisors regarding the potential changes in tax laws.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in us by a pension, profit-sharing, IRA or other employee benefit plan subject to Title I of ERISA or Section 4975 of the Code. This summary is based on provisions of ERISA and the Code, as amended through the date of this prospectus, and relevant regulations and opinions issued by the Department of Labor. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming that would significantly modify the statements expressed herein. Any changes may or may not apply to transactions entered into prior to the date of their enactment.

In considering using the assets of an employee benefit plan subject to Title I of ERISA to purchase shares, such as a profit-sharing, 401(k), or pension plan, or of any other retirement plan or account subject to Section 4975 of the Code such as an IRA or Keogh Plan (collectively, "Benefit Plans"), a fiduciary, taking into account the facts and circumstances of such Benefit Plan, should consider, among other matters,

- whether the investment is consistent with the applicable provisions of ERISA and the Code; and
- the need to value the assets of the Benefit Plan annually.

Under Title I of ERISA, a plan fiduciary's responsibilities include the duty:

- to act solely in the interest of plan participants and beneficiaries and for the exclusive purpose of providing benefits to them, as well as defraying reasonable expenses of plan administration;
- to invest "plan assets" prudently;
- to diversify the investments of the plan unless it is clearly prudent not to do so; and
- to comply with plan documents insofar as they are consistent with ERISA.

Title I of ERISA also requires that the assets of an employee benefit plan subject to Title I of ERISA be held in trust and that the trustee (or a duly authorized named fiduciary or investment manager) have exclusive authority and discretion to manage and control the assets of the plan.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit specified transactions involving assets of a Benefit Plan and any Party in Interest with respect to that Benefit Plan. These transactions are prohibited regardless of how beneficial they may be for the Benefit Plan. The prohibited transactions include the sale, exchange or leasing of property, the lending of money or the extension of credit between a Benefit Plan and a Party in Interest, and the transfer to, or use by or for the benefit of, a Party in Interest, of any assets of a Benefit Plan. A fiduciary of a Benefit Plan also is prohibited from engaging in self-dealing, acting for a person who has an interest adverse to the plan (other than in the case of most IRAs and some Keogh Plans), or receiving any consideration for its own account from a party dealing with the plan in a transaction involving "plan assets."

Furthermore, Section 408 of the Code states that assets of an IRA trust may not be commingled with other property except in a common trust fund or common investment fund.

Plan Assets

While neither ERISA nor the Code defines the term "plan assets," the Plan Asset Regulation describes what constitutes the assets of a Benefit Plan when it invests in specific kinds of entities. Under the Plan Asset Regulation, an entity in which a Benefit Plan makes an equity investment will be deemed to be "plan assets" of the Benefit Plan unless the entity satisfies at least one of the exceptions to this general rule.

The Plan Asset Regulation provides as one exception that the underlying assets of entities such as ours will not be treated as assets of a Benefit Plan if the interest the Benefit Plan acquires is a "publicly-offered security." A publicly-offered security must be:

- "freely transferable;"
- part of a class of securities that is owned by 100 or more persons who are independent of the issuer and one another; and
- either part of a class of securities registered under the Exchange Act or sold as part of a public offering

registered under the Securities Act and be part of a class of securities registered under the Exchange Act within 120 days (or such later time as may be allowed by the SEC) after the end of the fiscal year of the issuer during which the offering of such securities to the public occurred.

Whether a security is "freely transferable" is a factual question to be determined on the basis of the particular facts and circumstances. The Plan Asset Regulation further provides that when a security is part of an offering in which the minimum investment is $10,000 or less, as is the case with this offering, certain restrictions ordinarily will not, alone or in combination, affect the finding that such securities are "freely transferable." We believe that any restrictions imposed under our LLC Agreement on the transfer of our shares, including limits on the assignment of shares and substitution of shareholders, are limited to the restrictions on transfer generally permitted under the Plan Asset Regulation and are not likely to result in the failure of shares to be "freely transferable." The Plan Asset Regulation only establishes a presumption in favor of the finding of free transferability, and, therefore, no assurance can be given that the Department of Labor will not reach a contrary conclusion.

We have over 100 shareholders for each non-founder class of shares. Thus, the second criterion of the publicly offered exception security should be satisfied.

The non-founder shares are being sold as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act, and such shares are part of a class that is registered under the Exchange Act before the 120th day after the end of our fiscal year during which the offering of such shares to the public occurred. Any such shares purchased, therefore, should satisfy the third criterion of the publicly-offered security exemption.

We believe that such shares should constitute "publicly-offered securities," and that our underlying assets should not be considered "plan assets" under the Plan Asset Regulation, assuming that such shares are "freely transferable" and widely held (as contemplated above) and that the offering otherwise takes place as described in this prospectus. However, even if any class of non-founder shares is determined not to be a "publicly offered security," we still expect not to be subject to the ERISA fiduciary requirements, as described in the following paragraph, and our assets should not be treated as "plan assets" within the meaning of the Plan Asset Regulation.

We sold and issued our Class FA shares in the 2018 private offering and used a substantial portion of the net proceeds from the 2018 private offering to acquire our initial businesses. The Class FA shares sold in the 2018 private offering were not registered under the Exchange Act. However, we currently operate our business in a manner so that it is intended to qualify as a VCOC, and therefore are not subject to the ERISA fiduciary requirements with respect to our assets. However, if we fail to satisfy the requirements to qualify as a VCOC for any reason and no other exception under the Plan Asset Regulation applies, such failure could materially interfere with our activities or expose us to risks related to our failure to comply with the requirements. If no exception under the Plan Asset Regulation applied, the fiduciary responsibility standards of Title I of ERISA would apply to us, including the requirement of investment prudence and diversification, and certain transactions that we enter into, or may have entered into, in the ordinary course of business, might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Code.

In the event that our underlying assets were treated by the Department of Labor as "plan assets" of a Benefit Plan, our management could be treated as fiduciaries with respect to Benefit Plan members, and the prohibited transaction restrictions of ERISA and the Code could apply to any transaction involving our management and assets (absent an applicable administrative or statutory exemption). These restrictions could, for example, require that we avoid transactions with entities that are affiliated with us or our affiliates or restructure our activities in order to obtain an exemption from the prohibited transaction restrictions. Alternatively, we might provide Benefit Plan members with the opportunity to sell their shares to us or we might dissolve or terminate.

If our underlying assets were treated as assets of a Benefit Plan, the investment in us also might constitute an ineffective delegation of fiduciary responsibility to the Manager and expose the fiduciary of the plan to co-fiduciary liability under ERISA for any breach by the Manager of its ERISA fiduciary duties. Finally, an investment by an IRA in us might result in an impermissible commingling of "plan assets" with other property.

If a prohibited transaction were to occur, the Manager, and possibly other fiduciaries of Benefit Plan members subject to Title I of ERISA who permitted the prohibited transaction to occur or who otherwise breached their fiduciary responsibilities, or a non-fiduciary participating in the prohibited transaction could be required to restore to the plan any profits they realized as a result of the transaction or breach and make good to the plan any losses incurred by the plan as a result of the transaction or breach. In addition, the Code imposes an excise tax equal to 15% percent of the amount involved and authorizes the IRS to impose an additional 100% excise tax if the prohibited transaction is not "corrected." These taxes would be imposed on any disqualified person who participates in the prohibited transaction. With respect to an IRA, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiary, could cause the IRA to lose its tax-exempt status under Section 408(e)(2) of the Code.

If, as contemplated above, our assets do not constitute "plan assets" following an investment in shares by Benefit Plans, the problems discussed in the preceding three paragraphs are not expected to arise.

Each Benefit Plan fiduciary should consult with its legal or other advisors concerning the potential consequences under ERISA and the Code of an investment in shares by the Benefit Plan. This summary is not directed to any particular investor, nor does it address the needs of any particular investor. No party shall provide any advice or recommendation to any investor with respect to the management of any investment in shares or the advisability of acquiring, holding, disposing or exchanging an investment in shares.

LIQUIDITY STRATEGY

Our board of directors intends to contemplate a liquidity event for our shareholders on or before November 1, 2027 (which is within six years from the date we terminated our initial public offering); however, our board of directors is under no obligation to pursue or complete any particular liquidity event during this timeframe or otherwise. A liquidity event could happen at any time, either before the completion of this offering or any time thereafter. We expect that our board of directors, in the exercise of its fiduciary duty to our shareholders, will decide to pursue a liquidity event when it believes that then-current market conditions are favorable for a liquidity event, and that such an event is in the best interests of our shareholders. There can be no assurance that a suitable transaction will be available or that market conditions for a transaction will be favorable during that timeframe. A liquidity event could include, among other transactions: (i) a sale of all or substantially all of our assets, either on a complete portfolio basis or individually, followed by a liquidation; (ii) subject to an affirmative vote of a two-thirds (2/3) super-majority of our outstanding shares, a decision to continue as a perpetual-life company with a self tender offer for a minimum of twenty-five percent (25%) of our outstanding shares; (iii) a merger or other transaction approved by our board of directors in which our shareholders will receive cash or shares of another publicly traded company; or (iv) a listing of our shares on a national securities exchange or a quotation through a national quotation system. However, there can be no assurance that we will complete a liquidity event within such time or at all.

If a liquidity event does not occur, shareholders may have to hold their shares for an extended period of time, or indefinitely. In making a determination of what type of liquidity event is in the best interest of our shareholders, our board of directors, including our independent directors, may consider a variety of criteria, including, but not limited to, asset diversification and performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our shares, internal management requirements to become a perpetual life company and the potential for investor liquidity. Notwithstanding the shareholder approval requirement in connection with a determination to continue as a perpetual-life company as discussed above in (ii), nothing shall prevent our board of directors from exercising its fiduciary duty on behalf of our company and our shareholders, including any limitation on our board of directors to conduct self tender offers or seek shareholder approval through multiple proxy attempts.

Prior to the completion of a liquidity event, our share repurchase program may provide a limited opportunity for you to have your shares repurchased by us, subject to certain restrictions and limitations, at a price which may reflect a discount from the purchase price you paid for the shares being repurchased. See “Share Repurchase Program” for a detailed description of our share repurchase program.

DISTRIBUTION REINVESTMENT PLAN

We have adopted a distribution reinvestment plan pursuant to which shareholders who purchase shares in this offering (other than shareholders who are residents of Opt-in States and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such shareholders elect to receive distributions in cash. Shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan will automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares. Cash distributions paid on Class FA shares will be reinvested in additional shares of Class A shares. Class S shares do not participate in the distribution reinvestment plan. The following discussion summarizes the principal terms of this plan.

The purchase price for shares purchased under our distribution reinvestment plan will be equal to the most recently determined and published net asset value per share of the applicable class of shares. Because the distribution and shareholder servicing fee is calculated based on net asset value, it reduces net asset value and/or distributions with respect to Class T shares and Class D shares, including shares issued under the distribution reinvestment plan with respect to such share classes. To the extent newly issued shares are purchased from us under the distribution reinvestment plan or shareholders elect to reinvest their cash distribution in our shares, we will retain and/or receive additional funds for acquisitions and general purposes including the repurchase of shares under our share repurchase program.

We will not pay selling commissions or dealer manager fees on shares sold pursuant to our distribution reinvestment plan. However, the amount of the distribution and shareholder servicing fee payable with respect to Class T or Class D shares, respectively, sold in this offering will be allocated among all Class T or Class D shares, respectively, including those sold under our distribution reinvestment plan and those received as distributions.

Eligibility

Any investor who purchases shares in this offering (other than shareholders who are residents of Opt-in States and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will automatically participate in our distribution reinvestment plan. Shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan may elect to participate in our distribution reinvestment plan by making a written election to participate in such plan on his or her subscription agreement at the time he or she subscribes for shares.

Participation

We have adopted an "opt-out" distribution reinvestment plan pursuant to which shareholders (other than shareholders who are residents of Opt-in States and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will automatically have the full amount of your cash distributions reinvested in additional shares unless they elect to receive in cash. Shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan will automatically receive their distributions in cash unless they elect to have their cash distributions reinvested in additional shares of our shares. For such investors, participation in the distribution reinvestment plan will commence with the next distribution paid after receipt of an investor's written election to participate in the plan and to all other calendar months thereafter, provided such election is received at least 15 business days prior to the last day of the calendar month. There will be no selling commissions or dealer manager fees charged to the participant for shares issued through the distribution reinvestment plan. We will pay the reinvestment agent's fees under the plan.

Subject to the provisions of our LLC Agreement relating to certain restrictions on and after the effective dates of transfer, shares acquired pursuant to the distribution reinvestment plan entitle the participant to the same rights, including the same voting rights, and to be treated in the same manner as those purchased by the investors in this offering. Our board of directors reserves the right to prohibit fiduciaries, pension or profit-sharing plans, other employee benefit plans, IRAs and other plans, whether or not subject to ERISA or the Code (all such plans and accounts, and entities deemed to hold assets of such plans and accounts, are herein referred to as "Plans") from participating in the distribution reinvestment plan if such participation could, in our view, cause our underlying assets to constitute "plan assets" of such Plans. Participants in the distribution reinvestment plan are required to notify their broker-dealer or the company if they no longer meet the applicable suitability requirements. See "Suitability Standards."

Share Purchases

Any purchases of our shares pursuant to our distribution reinvestment plan are dependent on the continued registration of our securities or the availability of an exemption from registration in the recipient's home state. Participants in our distribution

reinvestment plan are free to elect or revoke reinstatement in the distribution reinvestment plan within a reasonable time as specified in the plan. If you "opted out" of participating in the plan (or for shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan, if you do not elect to participate in the plan), you will automatically receive any distributions we declare in cash. For example, if our board of directors authorizes, and we declare, a cash distribution, then unless you have "opted out" to our distribution reinvestment plan (or for shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan, if you have "opted in" to our distribution reinvestment plan) you will have your cash distributions reinvested in additional shares, rather than receiving the cash distributions.

The purchase price for shares purchased under our distribution reinvestment plan will be equal to the most recently determined and published net asset value per share of the applicable class of shares.

If our net asset value per share on such valuation date increases above or decreases below our net proceeds per share as stated in this prospectus, we will adjust the offering price of any of the classes of our shares in this offering, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share on such valuation date. See "Plan of Distribution" and "Determination of Net Asset Value." Subsequent to the time that we begin to receive monthly valuations, your distribution amount will purchase shares at the price equal to the then current offering price less the selling commissions and dealer manager fees associated with that class of shares.

If shareholders (other than shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) wish to participate in the distribution reinvestment plan, no action will be required on shareholders' part to do so. Shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan may elect to have their entire distribution reinvested in additional shares by notifying SS&C Technologies, Inc. (f/k/a DST Systems, Inc.), the reinvestment agent and our transfer agent and registrar, in writing so that such notice is received at least 15 business days prior to the last day of the calendar month. If you reinvest your distributions in additional shares, the reinvestment agent will set up an account for shares you acquire through the plan and will hold such shares in non-certificated form. If your shares are held by a broker-dealer or other financial intermediary, you may "opt-in" to our distribution reinvestment plan by notifying your broker-dealer or other financial intermediary of your election. Shares held by a broker-dealer or nominee must be transferred to ownership in the name of the shareholder in order to be eligible for this plan.

During each fiscal quarter, but in no event later than 30 days after the end of each fiscal quarter, our reinvestment agent (or a broker-dealer acting on behalf of a participant who is their client) will mail and/or make electronically available to each participant in the distribution reinvestment plan, a statement of account describing, as to such participant, the distributions received during such quarter, the number of shares purchased during such quarter, and the per share purchase price for such shares. Any distributions reinvested through the issuance of shares through our distribution reinvestment plan will increase our gross assets on which the base management fee is determined and paid and/or made under the Management Agreement and the Sub-Management Agreement.

Timing of Purchases

The reinvestment agent will make every reasonable effort to reinvest all distributions on the day the cash distribution is paid, except where necessary for us to comply with applicable securities laws. If, for any reason beyond the control of the reinvestment agent, reinvestment of the distribution cannot be completed within 30 days after the applicable distribution payment date, participants' funds held by the reinvestment agent will be distributed to the participant to whom they are attributable.

Taxation of Distributions

The reinvestment of distributions does not relieve the participant of any taxes which may be payable on such distributions. See "Certain U.S. Federal Income Tax Consequences—Participation in our Distribution Reinvestment Plan."

Termination of Participation

A participant may terminate participation in the distribution reinvestment plan at any time by written instructions to that effect to the reinvestment agent. To be effective on a distribution payment date, the notice of termination must be received by the reinvestment agent at least fifteen days before the record date fixed by our board of directors for that distribution payment date; otherwise, such termination will be effective with respect to any subsequent distribution payment date. Upon receipt of notice of termination from the participant, the reinvestment agent may also terminate any participant's account at any time in its discretion by notice in writing mailed to the participant. Notwithstanding the foregoing, if we publicly announce in a filing with the SEC a new net asset value per share or a new offering price, then a participant shall have no less than two business days after the date of such announcement to notify us in writing of such participant's termination of participation in the distribution reinvestment plan and the participant's termination will be effective for the next date shares are purchased under the distribution reinvestment plan.

Any investor's transfer of shares to a non-participant in the distribution reinvestment plan will terminate such investor's participation in the distribution reinvestment plan with respect to such transferred shares. The transferee of such shares in connection with such transfer (other than shareholders who are residents of Opt-in States, holders of Class FA shares and clients of certain participating broker-dealers that do not permit automatic enrollment in our distribution reinvestment plan) will have their cash distributions automatically reinvested in additional shares having the same class designation as the class of shares to which such distributions are attributable, unless such transferee elects to opt-out of the distribution reinvestment plan in its executed enrollment form as otherwise provided herein. In addition, we will terminate an investor's participation in the distribution reinvestment plan if we receive a request from the investor for repurchase of all of the investor's shares under the share repurchase program. If we repurchase a portion of a participant's shares, the participant's participation in the distribution reinvestment plan with respect to the participant's shares that were not repurchased will not be terminated unless the participant requests such termination. Conversion of a participant's shares from one class to another class pursuant to our LLC Agreement will not terminate a participant's participation in the distribution reinvestment plan with respect to such shares, though it will cause, from the effective date of conversion, distributions with respect to such shares to be applied to the purchase of shares of such new class.

Amendment, Termination and Suspension of Distribution Reinvestment Plan

We reserve the right to amend, suspend or terminate the distribution reinvestment plan at any time by the delivery of written notice to each participant at least 30 days prior to the effective date of the amendment, supplement or termination. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. While our distribution reinvestment plan is in effect and has not been terminated, we will not amend our distribution reinvestment plan in a manner that would eliminate a participant's right to terminate his or her participation in our distribution reinvestment plan.

All correspondence concerning the plan should be directed to the reinvestment agent by mail at SS&C Technologies, Inc. (f/k/a DST Systems, Inc.), P.O. Box 219312, Kansas City, MO 64121-9312.

SHARE REPURCHASE PROGRAM

We do not currently intend to list our shares on a securities exchange, and we do not expect there to be a public market for our shares. Holders of Class FA shares and Class S shares may also participate in our share repurchase program.

We have adopted a share repurchase program, pursuant to which we will conduct quarterly share repurchases to allow our shareholders to sell all or a portion of their shares (at least 5% of his or her shares) back to us at a price equal to the net asset value per share as of the last date of the month immediately prior to the repurchase date. The repurchase date generally will be the last business day of the month of a calendar quarter end. We are not obligated to repurchase shares under the share repurchase program. If we determine to repurchase shares, our share repurchase program also limits the total amount of aggregate repurchases of Class A, Class FA, Class T, Class D, Class I and Class S shares to up to 2.5% of our aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of our aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of our trailing four quarters). Our share repurchase program includes numerous restrictions that limit your ability to sell your shares. Our share repurchase program also includes certain restrictions on the timing, amount and terms of our repurchases intended to ensure our ability to qualify as a partnership for U.S. federal income tax purposes.

The aggregate amount of funds under our share repurchase program will be determined on a quarterly basis in the sole discretion of our board of directors. At the sole discretion of our board of directors, we may use cash on hand, including offering proceeds, cash available from borrowings and cash from the sale of assets as of the end of the applicable period to repurchase shares. You may request that we repurchase all or a portion of the shares that you own; provided, however, that the minimum number of shares presented for repurchase shall be at least 5% of your shares. Generally, we will pay repurchase proceeds within five business days after the repurchase date. Payment for repurchases will generally not be made on the same date as payment for any distribution.

To the extent that the number of shares submitted to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a *pro rata* basis, from among the requests for repurchase received by us based upon the total number of shares for which repurchase was requested. We may repurchase shares including fractional shares, computed to three decimal places.

Our board of directors has the right to amend or suspend the share repurchase program to the extent it determines that it is in our best interest to do so, such as when repurchase requests would place an undue burden on our liquidity, adversely affect our operations, risk having an adverse impact on us that would outweigh the benefit of repurchasing our shares or risk our ability to qualify as a partnership for U.S. federal income tax purposes, upon 30 days' prior notice to our shareholders. Continued suspension of our share repurchase program would only be permitted under the plan if our board of directors determines that the continued suspension of the share repurchase program is in our best interest and the best interest of our shareholders. If the share repurchase program is suspended or amended in a manner to reduce liquidity available to our shareholders, our board of directors will consider, at least quarterly, whether continuing to restrict repurchases or resuming repurchases at the initial level would be in the best interest of the company and our shareholders. Our board of directors must affirmatively authorize the recommencement of the plan before shareholder requests will be considered again. Our board of directors cannot terminate our share repurchase program absent a liquidity event or where otherwise required by law. We may provide notice by including such information in a current report on Form 8-K or in our annual or quarterly reports, each of which are publicly filed with the SEC followed by a separate mailing to our investors. Moreover, the share repurchase program will terminate, and we no longer will accept shares for repurchase, if and when our shares are listed on a national securities exchange, are included for quotation in a national securities market or, in the sole determination of our board of directors, a secondary trading market for the shares otherwise develops. All shares to be repurchased under our share repurchase program must be (i) fully transferable and not be subject to any liens or other encumbrances and (ii) free from any restrictions on transfer. If we determine that a lien or other encumbrance or restriction exists against the shares requested to be repurchased, we will not repurchase any such shares.

The limitations and restrictions described above may prevent us from accommodating all repurchase requests made in any quarter. Our share repurchase program has many limitations, including the limitations described above, and should not in any way be viewed as the equivalent of a secondary market. There is no assurance that we will repurchase any of your shares pursuant to the share repurchase program or that there will be sufficient funds available to accommodate all of our shareholders' requests for repurchase. As a result, we may repurchase less than the full amount of shares that you request to have repurchased. If we do not repurchase the full amount of your shares that you have requested to be repurchased, or we determine not to make repurchases of our shares, you will likely not be able to dispose of your shares, even if we underperform. Any periodic repurchase offers will be subject in part to our available cash. Shareholders will not pay a fee in connection with our repurchase of shares under the share repurchase program. Factors that we will consider in making our determinations to repurchase shares include:

- whether such repurchase impairs our capital or operations;

- whether such repurchase is not reasonably practical due to an emergency;
- whether such repurchase is demanded by any governmental or regulatory agency with jurisdiction over us for the protection of our investors;
- whether such repurchase would result in our being treated as a publicly traded partnership; and
- whether such repurchase would be unlawful.

With regard to an investor whose shares are not repurchased due to insufficient funds in that quarter, the repurchase request will not be retained by us and such investor must resubmit his or her repurchase request in a subsequent quarter for his or her shares to be repurchased. Investors will not relinquish their shares to us until such time as we commit to repurchase such shares. However, the repurchase price for repurchase requests not withdrawn by the investor and subsequently repurchased by us will be at the current repurchase price under the share repurchase program as of the repurchase date. Investors will have the right to withdraw their repurchase requests at any time before 4:00 p.m. Eastern Time on the repurchase date. To the extent the repurchase price for the applicable quarter is not made available by the tenth business day prior to the repurchase date, we may, in our sole discretion, extend the repurchase date into the immediately subsequent month to ensure such notice period is satisfied. Otherwise, no repurchase requests will be accepted for such quarter and shareholders who wish to have their shares repurchased the following quarter must resubmit their repurchase requests.

In the event there are insufficient funds to repurchase all of the shares for which repurchase requests have been submitted, and we have determined to repurchase shares, we will repurchase pending requests at the end of each quarter in the following order of priority:

- first, *pro rata* as to all repurchases sought upon an investor's death;
- second, *pro rata* as to all repurchases sought by investors with a qualifying disability or by investors who have been confined to a long-term care facility;
- third, *pro rata* as to all repurchases sought by investors subject to bankruptcy;
- fourth, *pro rata* as to all repurchases that would result in an investor owning less than 100 shares; and
- finally, *pro rata* as to all other repurchase requests.

A shareholder who wishes to have shares repurchased must mail or deliver a written request on a form provided by us and executed by the shareholder, its trustee or authorized agent to the repurchase agent. The repurchase agent will be registered as a broker-dealer with the SEC and each state's securities commission at all times unless exempt from registration. A shareholder's repurchase request must be received by the repurchase agent on or before the date which is sixty (60) days prior to the date the Shares are redeemed; therefore, a shareholder's repurchase requested must be received by the repurchase agent on or prior to the following dates for each applicable share repurchase date: (i) January 31 for repurchases on March 31; (ii) April 30 for repurchases on June 30; (iii) July 31 for repurchases on September 30; and (iv) October 31 for repurchases on December 31. With regard to a shareholder whose repurchase request which is not received by us on or before the applicable required submission date prior to the Repurchase Date, such repurchase request will be retained by us for the immediate next available quarterly Repurchase Date (unless such request is otherwise withdrawn). Thereafter, such a shareholder must resubmit his or her repurchase request in subsequent quarters for his or her Shares to be repurchased.

Under this share repurchase program, our ability to make new acquisitions of businesses or increase the current distribution rate may become limited if, over any two-year period, we experience repurchase demand in excess of capacity. If, during any consecutive two year period, we do not have at least one quarter in which we fully satisfy 100% of properly submitted repurchase requests, we will not make any new acquisitions of businesses (excluding short-term cash management investments under 90 days in duration) and we will use all available investable assets (as defined below) to satisfy repurchase requests (subject to the limitations under this share repurchase program) until all Unfulfilled Repurchase Requests have been satisfied. Additionally, during such time as there remains any Unfulfilled Repurchase Requests outstanding from such period, the Manager and the Sub-Manager will defer their total return incentive fee until all such Unfulfilled Repurchase Requests have been satisfied. "Investable assets" includes net proceeds from new subscription agreements, unrestricted cash, proceeds from marketable securities, proceeds from the distribution reinvestment plan, and net cash flows after any payment, accrual, allocation, or liquidity reserves or other business costs in the normal course of owning, operating or selling our acquired businesses, debt service, repayment of debt, debt financing costs, current or anticipated debt covenants, funding commitments related to our businesses, customary general and administrative expenses, customary organizational and offering costs, asset management and advisory fees, performance or actions under existing contracts, obligations under our organizational documents or those of our subsidiaries,

obligations imposed by law, regulations, courts or arbitration, or distributions or establishment of an adequate liquidity reserve as determined by our board of directors.

For a disability to be considered a "qualifying disability" for the purposes of share repurchase program: (i) the investor must receive a determination of disability based upon a physical or mental impairment arising after the date the investor acquired the shares to be repurchased that can be expected to result in death or to last for a continuous period of not less than 12 months; and (ii) such determination of disability must have been made by the governmental agency, if any, responsible for reviewing the disability retirement benefits that the investor could be eligible to receive. Such governmental agencies are limited to the following: (i) if the investor is eligible to receive Social Security disability benefits, the Social Security Administration; (ii) if the investor is not eligible for Social Security disability benefits but could be eligible to receive disability benefits under the Civil Service Retirement System, or the CSRS, the U.S. Office of Personnel Management or the agency charged with responsibility for administering CSRS benefits at that time; or (iii) if the investor is not eligible for Social Security disability benefits but could be eligible to receive military disability benefits, the Veteran's Administration or the agency charged with the responsibility for administering military disability benefits at that time. Repurchase requests following an award by the applicable government agency of disability death benefits must be accompanied by the investor's application for disability benefits and a Social Security Administration Notice of Award, a U.S. Office of Personnel Management determination of disability under the CSRS, a Veteran's Administration record of disability-related discharge or such other documentation issued by the applicable governmental agency that we deem to be acceptable and which demonstrates an award of disability benefits.

With respect to repurchases sought upon an investor's confinement to a long-term care facility, "long-term care facility" shall mean an institution that is an approved Medicare provider of skilled nursing care or a skilled nursing home licensed by the state or territory where it is located and that meets all of the following requirements: (a) its main function is to provide skilled, immediate or custodial nursing care; (b) it provides continuous room and board to three or more persons; (c) it is supervised by a registered nurse or licensed practical nurse; (d) it keeps daily medical records of all medication dispensed; and (e) its primary service is other than to provide housing for residents. An investor seeking repurchase of shares due to confinement to a long-term care facility must have begun such confinement after the date the investor acquired the shares to be repurchased and must submit a written statement from a licensed physician certifying the investor's continuous and continuing confinement to a long-term care facility over the course of the last year or the determination that the investor will be indefinitely confined to a long-term care facility.

With respect to repurchases sought upon an investor's bankruptcy, "bankruptcy" shall mean a bankruptcy over which a trustee was appointed by a bankruptcy court after the date the investor acquired the shares to be repurchased. An investor seeking shares to be repurchased due to bankruptcy must submit the court order appointing the trustee or an order of discharge from the applicable bankruptcy court.

The foregoing provisions regarding the share repurchase program in no way limit our ability to repurchase shares from investors by any other legally available means for any reason that our board of directors, in its discretion, deems to be in our best interest.

PLAN OF DISTRIBUTION

This Offering

We are offering a maximum of $1,100,000,000 in shares of our limited liability company interests in this offering. As used in this prospectus, we refer to the shares of our limited liability company interests as our shares. The Managing Dealer is CNL Securities Corp., which is an affiliate of CNL and a member of FINRA and the Securities Investor Protection Corporation. The Managing Dealer will act as a distributor of our shares offered by this prospectus. The shares are being offered on a "best efforts" basis, which means generally that the Managing Dealer is required to use only its best efforts to sell the shares and it has no firm commitment or obligation to purchase any of the shares. The Managing Dealer is headquartered at 450 S. Orange Avenue, Suite 1300, Orlando, Florida 32801. Our agreement with the Managing Dealer may be terminated by either party upon 30 days' written notice. The Managing Dealer will engage unrelated, third-party participating broker-dealers in connection with this offering of shares. As used in this prospectus, the term participating broker-dealers includes the Managing Dealer, other members of FINRA, registered investment advisers and other entities exempt from broker-dealer registration.

We are currently offering four classes of our shares: Class A shares, Class T shares, Class D shares and Class I shares. The current public offering prices for our shares are $39.14 per Class A share, $37.62 per Class T share, $35.54 per Class D share and $36.23 per Class I share. See "—Volume Discounts (Class A Shares Only)" for a description of the discounts that are available to certain purchasers. In determining which class of shares you are eligible to purchase, you should consult with your financial or investment adviser and consider, among other factors, the amount of your investment, the anticipated length of time you intend to hold our shares assuming you are able to redeem, transfer or otherwise dispose of your shares, the applicable sales load and/or ongoing distribution and servicing fees with a particular class, your investment objective, investment account type, or the existence of applicable volume or other discounts. We allocated $1,000,000,000 in any combination of Class A shares, Class T shares, Class D shares and Class I shares to our primary offering and $100,000,000 in any combination of Class A shares, Class T shares, Class D shares and Class I shares to be offered pursuant to the distribution reinvestment plan. We may elect to reallocate some or all of our shares between our primary offering and our distribution reinvestment plan.

Our board of directors determines our net asset value for each class of our shares on a monthly basis. We expect that such determination will ordinarily be made within 15 business days after each such completed month. To the extent that our net asset value per share on the most recent determination increases above or decreases below our net proceeds per share as stated in this prospectus, our board of directors will adjust the offering prices of any of the classes of our shares to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below our net asset value per share as of the most recent valuation date. The adjusted offering prices will become effective five business days after our board of directors determines to set the new prices and we publicly disclose such prices. Our board of directors will continue to adjust the offering prices of all classes of our shares as necessary in this manner.

Promptly following any such adjustment to the offering prices per share, we will file a prospectus supplement or post-effective amendment to the registration statement with the SEC disclosing the adjusted offering prices and the effective date of such adjusted offering prices, and we will also post the updated pricing information on our website at www.cnlstrategiccapital.com. A subscriber may also obtain our current offering price by calling us by telephone at (866) 650-0650. If the new offering price per share for any of the classes of our shares being offered by this prospectus represents more than a 20% change in the per share offering price of our shares from the most recent offering price per share, we will file an amendment to the registration statement with the SEC. We will attempt to file the amendment on or before such time in order to avoid interruptions in this offering; however, there can be no assurance that this offering will not be suspended while the SEC reviews any such amendment and until it is declared effective.

Subscribers are not committed to purchase shares at the time their subscription orders are submitted and any subscription may be withdrawn at any time before the time it has been accepted by us. The monthly closing date on which we will accept subscriptions is expected to be the last business day of each month. The purchase price per share to be paid by each investor will be equal to the price that is in effect on the date we accept such investor's subscription agreement in connection with our monthly closings. Generally, an investor will know the monthly closing date that applies to their subscription. In the event we adjust the offering price after an investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance.

This is a continuous offering of our shares as permitted by the federal securities laws. We currently intend to sell shares in this offering until November 1, 2026 and we may extend this offering one additional year if all of the shares we have registered are not yet sold within two years; however, we may suspend or terminate this offering sooner, or extend this offering as permitted under applicable securities laws, in each case with respect to any class of shares, and we would announce such event in a

prospectus supplement. In addition, some states will require us to renew our registration annually in order to continue offering our shares beyond the initial registration period in such states. Your ability to purchase shares and submit shares for repurchase will not be affected by the expiration of this offering and the commencement of a new one.

Compensation Paid for Sales of Shares

Distribution Channels

We expect the Managing Dealer to utilize multiple distribution channels to sell our shares, including through FINRA-registered broker-dealers, registered investment advisers and other financial intermediaries exempt from broker-dealer registration. These channels may have different selling commissions, and consequently, a different purchase price for the shares. Our Managing Dealer will engage participating broker-dealers in connection with the sale of the shares of this offering in accordance with participating broker agreements. Except as otherwise described, selling commissions and dealer manager fees will be paid by us to our Managing Dealer in connection with such sales.

Front-End Selling Commissions, Dealer Manager Fee and Discounts (Class A and Class T Shares)

Except for the special sales, fee arrangements or volume discounts described later in this section, we pay the Managing Dealer selling commissions of up to 6.00% of the sale price per Class A share for Class A shares sold in this primary offering and up to 3.00% of the sale price per Class T share for Class T shares sold in this primary offering. Reduced selling commissions will be paid with respect to certain volume discount sales of Class A shares. The Managing Dealer may reallow all or a portion of the selling commissions to participating broker-dealers as compensation for their services in soliciting and obtaining subscriptions. Except for certain special sales as described later in this section, we also pay the Managing Dealer fee of up to 2.50% of the price of each Class A share sold in this primary offering and up to 1.75% of the price of each Class T share sold in this primary offering to the Managing Dealer for marketing the shares in connection with this offering, which includes coordinating the marketing of the shares with any participating broker-dealers. The Managing Dealer may, in its discretion, reallow all or a portion of this dealer manager fee to participating broker-dealers. With respect to certain sales of Class T shares, the Managing Dealer may permit broker-dealers to reallocate a portion of the dealer manager fee to a selling commission, without changing the aggregate upfront selling commission and dealer manager fee paid. Throughout this prospectus, we describe the maximum selling commissions and dealer manager fees assuming that such a reallocation has not occurred. You can obtain more information from the participating broker-dealer through which you purchase shares about the compensation it receives. We will not pay any selling commissions or dealer manager fees in connection with sales of Class D and Class I shares in this offering. No selling commissions or dealer manager fees will be paid on any Class A, Class T, Class D and Class I shares sold pursuant to the distribution reinvestment plan.

The selling commission and/or dealer manager fee may be reduced or eliminated in connection with certain categories of sales, such as sales for which a volume discount applies, sales through certain investment advisory representatives and, subject to the agreement of the Managing Dealer, sales made to certain investors who have agreed with a participating broker-dealer to reduce or eliminate the selling commission and/or the dealer manager fee through use of a fee based or alternative fee arrangement with such investor. Our Managing Dealer has also agreed with certain participating broker-dealers, and may agree in the future with others, to waive a portion of the upfront selling commission and/or dealer manager fee it receives from the sale of a Class A share. Our Managing Dealer will make such determination in its discretion based on various factors, including, but not limited to, the projected volume of sales, the amount of marketing assistance provided on a platform, existing products categories on such participating broker-dealer's platform, regulatory considerations or the total shareholder services provided by such participating broker-dealer. Currently, if an investor purchases shares through one of these participating broker-dealers, Class A shares will be sold at a negotiated discount of up to 6.5% from the public offering price, reflecting that a portion of the selling commission and/or dealer manager fee will not be paid in connection with such purchases. In this way, the upfront selling commission and/or dealer manager fee may vary by participating broker-dealer and your ability to receive a fee waiver or fee discount on Class A shares may depend on the participating broker-dealer through which you purchase your Class A shares. Accordingly, you should consult with your own financial advisor about the ability to receive such discounts or fee waivers before purchasing Class A shares. Shareholders of Class A shares who qualify for a discount or fee waiver will potentially receive a higher percentage return on his or her investment than Class A investors who do not qualify for such discount or fee waiver. In no event will your upfront sales load exceed the maximum amounts of up-front selling commission and dealer manager fees disclosed in this prospectus. You can obtain more information from the participating broker-dealer through which you purchase shares about the compensation it receives. The net proceeds we receive will not be affected by such sales of shares at a discount.

Purchases Net of Selling Commissions and Dealer Manager Fees

Except as disclosed above or below, selling commissions and dealer manager fees generally will be paid in connection with such sales. In the event of the sale of Class A shares and Class T shares in this offering through certain categories of investors or certain investment advisory representatives as described below, we will waive some or all of the sales load, reflecting the fact

that we will not pay the Managing Dealer the 6.00% selling commission with respect to such Class A shares and the 3.00% selling commission with respect to such Class T shares and, in some cases, the 2.50% dealer manager fee on such Class A shares and the 1.75% dealer manager fee on such Class T shares, as described in more detail below.

We will not pay selling commissions or dealer manager fees in connection with the following special sales of Class A shares:

- the purchase of Class A shares by directors, the Manager, the Sub-Manager or our affiliates or any of their or our officers, employees, or any family members of those individuals, any Plan established exclusively for the benefit of such persons or entities, or, if approved by our board of directors, our partners, consultants or other third party service providers;

- the purchase of Class A shares through independent registered investment advisers not affiliated with a broker-dealer;

- the purchase of Class A shares by the directors, officers, registered representatives or employees of a participating broker-dealer (or family members of any of the foregoing) who requests and is entitled to purchase Class A shares net of selling commissions; and

- the purchase of shares under our distribution reinvestment plan.

We will not pay selling commissions, but will pay the dealer manager fee, in connection with the following special sales of Class A shares in this offering:

- the sale of Class A shares through registered investment advisers that are affiliated with or duly registered with a participating broker-dealer whom the investor has agreed to pay compensation for investment advisory services or other financial or investment advice; and

- the sale of Class A shares to investors whose contracts for investment advisory and related brokerage services with participating broker-dealers include a fixed fee or fee-based program, also known as "wrap" accounts or other alternative fee arrangements.

In each of the two types of special sales specified directly above the dealer manager fee will be paid by us to the Managing Dealer, which may then reallow all or a portion of the dealer manager fee to the participating broker-dealer. Neither the Managing Dealer nor its affiliates will compensate any person engaged as an investment adviser by a potential investor as an inducement for such investment adviser to advise favorably for an investment in us. However, in the case of certain sales of Class A shares to the client of a registered investment adviser in which the registered investment adviser is affiliated with a participating broker-dealer that is a party to a participating broker agreement with the Managing Dealer, the Managing Dealer may reallow all or a portion of the dealer manager fee to the participating broker-dealer entity. If the registered investment adviser is not affiliated with a participating broker-dealer that is a party to a participating broker agreement with the Managing Dealer, the dealer manager fee will not be reallowed. We may also make certain sales directly to these groups or certain institutional investors designated by our management without a broker-dealer intermediary. For such direct sales, all selling commissions and dealer manager fees will be waived.

We will not pay upfront selling commissions or upfront dealer manager fees in connection with the following special sales of Class T shares:

- the purchase of Class T shares by directors, the Manager, the Sub-Manager or our affiliates or any of their or our officers, employees, or any family members of those individuals, any Plan established exclusively for the benefit of such persons or entities, or, if approved by our board of directors, our partners, consultants or other third party service providers;

- the purchase of Class T shares by the directors, officers, registered representatives or employees of a participating broker-dealer (or family members of any of the foregoing) who requests and is entitled to purchase Class T shares net of upfront selling commissions or upfront dealer manager fees; and

- the purchase of shares under our distribution reinvestment plan.

For purposes of the foregoing, "family members" means such person's spouse, parents, children, brothers, sisters, grandparents, grandchildren, aunts, uncles, niece, nephew, cousins, and any such person who is so related by marriage such that this includes "step-" and "-in-law" relations as well as such persons so related by adoption, and any associated family offices, foundations, or accounts managed by registered investment advisers. In addition, participating brokers contractually obligated

to their clients for the payment of fees on terms inconsistent with the terms of acceptance of all or a portion of the selling commissions and dealer manager fees may elect not to accept all or a portion of such compensation. In that event, such shares will be sold to the investor at a per share purchase price, net of all or a portion of the selling commissions and dealer manager fees. All sales must be made through a registered broker-dealer participating in this offering, and investment advisers must arrange for the placement of sales accordingly. The net proceeds to us will not be affected by reducing or eliminating selling commissions and dealer manager fees payable in connection with sales through registered investment advisers or bank trust departments.

Reallowance (Class A Shares and Class T Shares)

The Managing Dealer may reallow all or a portion of the dealer manager fee on Class A and Class T shares to participating broker-dealers. Generally, the Managing Dealer will reallow a portion of the dealer manager fees if the participating broker-dealer agrees to provide one or more of the following services:

- internal marketing support personnel (such as telemarketers or a marketing director) to assist the Managing Dealer's marketing team;
- internal marketing communications vehicles, including, but not limited to, newsletters, conference calls, interactive applications and media, and internal mail to promote us and this offering;
- provide access to registered representative lists, updated quarterly;
- assistance with reinvestments and repurchases;
- maintaining the technology necessary to adequately process subscriptions and service our investors, as otherwise associated with this offering; or
- other services, as requested by investors from time to time.

Additional Compensation

Our sponsor or one of its affiliates, in their sole discretion and from their own resources, have agreed and may in the future agree to pay supplemental fees or commissions ("Supplemental Fees") to participating broker dealers and servicing broker dealers with respect to Class I shares sold in the primary offering. Any such Supplemental Fees will be paid through the Managing Dealer at the time of sale or over time and will be considered underwriting compensation subject to the 10% limit on underwriting compensation imposed by FINRA. Such Supplemental Fees will not be reimbursed by the Company and will differ among participating broker-dealers in amount or in the manner of calculation. You can obtain more information from the participating broker-dealer through which you purchase shares about the Supplemental Fees it may receive from the Managing Dealer. The payment of Supplemental Fees that a participating broker-dealer may receive in connection with the sale of shares may be greater than the compensation it may receive for the distribution of other investment products. This difference in compensation may create an incentive for a financial intermediary to recommend the Company over another investment product.

Additionally, our Manager may make payments or provide other incentives to one or more financial firms for certain services they provide to us or indirectly to us, including in connection with providing marketing and support services. Such payments could be based on the fees that the Manager earns or reimbursements it receives under the Management Agreement or otherwise. A number of factors may be considered in determining the amount of these payments to financial firms. In some cases, and where permitted by applicable law, such payments may be conditioned upon levels of sales, including the sale of a specified minimum dollar amount of our shares to a financial firm's clients. You can obtain more information from your financial firm about any such fees or reimbursements it may receive from the Manager.

Other Compensation

The Managing Dealer and/or participating broker dealers may incur certain other costs and expenses associated with this offering or the facilitation of the marketing of our shares, including technology fees related to the marketing of shares, certain wholesaling activities, certain legal expenses, the costs and expenses of sales training and educational meetings held by us or the Managing Dealer or for participating broker-dealer sponsored conferences, or selling commissions and non-transaction based compensation paid to registered persons associated with the Managing Dealer in connection with wholesaling activities. Such costs and expenses will be paid out of selling commissions, dealer manager or distribution and shareholder servicing fees retained by the Managing Dealer (all or portion of which may be reallowed to participating broker-dealers); provided, however, that to the extent any such costs and expenses exceed the commissions, dealer manager or distribution and shareholder servicing fees retained by the Managing Dealer such costs and expenses will be borne by the Managing Dealer and/or participating broker-

dealers without reimbursement by us. In either case, such costs and expenses will be deemed to be underwriting compensation and will be subject to the FINRA's 10% limit on total underwriting compensation.

The Managing Dealer may also provide permissible forms of non-cash compensation pursuant to FINRA Rule 2310(c) to its registered representatives and to participating broker-dealers, which will be paid for out of selling commissions and/or dealer manager fees, such as:

- an occasional meal, a ticket to a sporting event or the theater, or comparable entertainment which is neither so frequent nor so extensive as to raise any question of propriety and is not preconditioned on achievement of a sales target;
- gifts that do not exceed on aggregate of $100 (or other amount fixed periodically by the FINRA Board of Governors) per person and are not conditioned on achievement of a sales target; or
- other forms of non-cash compensation.

In addition, the sponsor or its affiliates may pay the Managing Dealer, without reimbursement by us, additional amounts in order to fund certain of the Managing Dealer's costs and expenses related to the distribution of this offering, including selling commissions and non-transaction based compensation of certain registered employees of the Managing Dealer. Such payments will be considered underwriting compensation subject to the 10% underwriting compensation limit.

We, the Managing Dealer, or their respective affiliates may also pay directly, or reimburse the Managing Dealer and/or participating broker-dealers, as applicable, any organization and offering expenses (other than upfront selling commissions, dealer manager fees or annual shareholder distribution and servicing fees). For example, we will reimburse the Managing Dealer and/or participating broker-dealers for reasonable out-of-pocket due diligence expenses that are incurred by the Managing Dealer and/or participating broker-dealers and, provided that such expenses are detailed on itemized invoices.

The table and discussion below summarizes the applicable upfront selling commission and dealer manager fees in connection with this offering all of which are deemed to be underwriting compensation.

Managing Dealer and Broker-Dealer Compensation

CNL Securities Corp. serves as the Managing Dealer in this offering. The Managing Dealer is not obligated to purchase any of our shares, but has only agreed to use "best efforts" to sell the shares to investors.

Maximum Estimated Underwriting Fees and Expenses
At Maximum Primary Offering of $1,000,000,000

	Maximum Aggregate[1]	Percent of the Gross Primary Offering Proceeds
Selling Commissions	$ 12,000,000 [2]	1.2%
Dealer Manager Fees	$ 5,550,000 [2]	0.6%
Distribution and Shareholder Servicing Fees	$ 12,250,000 [2] [3]	1.2%
Underwriting Expenses Paid by the Sponsor or its Affiliates Without Reimbursement from Us	$ 26,374,500 [4]	2.6%
Total	$ 56,174,500	5.6%

(1) This table assumes that we sell all of the shares offered by this prospectus, that no shares are reallocated between this primary offering and the distribution reinvestment plan, that 15%, 10%, 10% and 65% of the gross offering proceeds are from Class A shares, Class T shares, Class D shares and Class I shares, respectively, and that all shares are sold through distribution channels associated with the highest possible selling commissions and dealer manager fees. This table also assumes that we will cease paying the distribution and shareholder servicing fees with respect to any Class T shares and Class D shares after the time that total upfront selling commissions, dealer manager fees and distribution and shareholder servicing fees with respect to such Class T share and Class D share reach 8.50% of the gross proceeds from the primary offering of such Class T share or Class D share.

(2) A portion of the selling commissions, dealer manager fees and distribution and shareholder servicing fees retained by the Managing Dealer will be used to pay or reimburse for certain underwriting compensation expenses described above under "—Other Compensation."

(3) See "—Distribution and Shareholder Servicing Fee (Class T and Class D Shares Only)" below for a description of the distribution and shareholder servicing fee. The numbers presented above reflect that the distribution and shareholder servicing fees are paid over a number of years and, as a result, will cumulatively increase above the per annum percentage amounts over time.

(4) Includes additional underwriting compensation expenses that may be paid by the Sponsor or one of its affiliates without reimbursement from us, as described above under "—Other Compensation" and under "—Additional Compensation." This table assumes that approximately 30% of Class I shares will be sold with Supplemental Fees of up to 1.25% of the gross proceeds from the sale of such Class I shares.

Under FINRA rules, the aggregate of all underwriting compensation from any source payable in connection with this offering, including selling commissions, dealer manager fees, distribution and shareholder servicing fees and Supplemental Fees, may not exceed 10% of gross offering proceeds from our primary offering. The Managing Dealer will monitor the aggregate amount of underwriting compensation paid in connection with this offering to ensure that we comply with the underwriting compensation limits of applicable FINRA rules described above. In addition to the limits on underwriting compensation, FINRA and many states also limit our total organization and offering expenses to 15% of gross offering proceeds. See "Estimated Use of Proceeds" for a description of other organization and offering expenses expected to be incurred in connection with this offering.

Distribution and Shareholder Servicing Fee (Class T and Class D Shares Only)

We pay the Managing Dealer distribution and shareholder servicing fees, subject to certain limits, on the Class T and Class D shares sold in this primary offering (excluding Class T shares and Class D shares sold through the distribution reinvestment plan and those received as share distribution) in an annual amount equal to 1.00% and 0.50%, respectively, of our current net asset value per share, as disclosed in our periodic or current reports, payable on a monthly basis. The distribution and shareholder servicing fees accrue daily and are paid monthly in arrears. The Managing Dealer may reallow all or a portion of the distribution and shareholder servicing fee to the broker-dealer who sold the Class T or Class D shares or, if applicable, to a servicing broker-dealer of the Class T or Class D shares, a broker-dealer with a fee-based platform, or a fund supermarket platform featuring Class D shares, so long as the broker-dealer or financial intermediary has entered into a contractual agreement with the Managing Dealer that provides for such reallowance. The distribution and shareholder servicing fees are ongoing fees that are allocated among all Class T and Class D shares, respectively, and are not paid at the time of purchase. Eligibility to receive the distribution and shareholder servicing fee is conditioned on a participating broker-dealer providing the following ongoing services with respect to the Class T and Class D shares: assistance with ongoing account maintenance and recordkeeping, answering investor inquiries regarding us, including inquiries regarding valuation, tax information, annual reports, redemption rights and procedures, the company's financial status, or distribution payments and reinvestments, helping investors understand their investments upon their request, and assistance with share repurchase requests. While we expect that the broker-dealer of record for a Class A or Class I shareholder may provide similar services to a Class A or Class I shareholder, they are under no contractual obligation to do so and we will not pay the distribution and shareholder servicing fee for such services. The distribution and shareholder servicing fees are similar to selling commissions. The distribution and shareholder servicing expenses borne by the participating broker-dealers may be different from and substantially less than the amount of the distribution and shareholder servicing fees charged.

We will cease paying the distribution and shareholder servicing fee with respect to Class T shares held in any particular account, and those Class T shares will convert into a number of Class A shares determined by multiplying each Class T share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class T shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class T shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class T shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those shares received as a share or dividends). We will also cease paying the distribution and shareholder servicing fee with respect to Class T shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class T shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class T shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class T shares that were redeemed and those Class T shares that were retained in the account. Likewise, if a portion of the Class T shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and

amount of underwriting compensation previously paid will be prorated between the Class T shares that were transferred and the Class T shares that were retained in the account.

We will cease paying the distribution and shareholder servicing fee with respect to Class D shares held in any particular account, and those Class D shares will convert into a number of Class A shares determined by multiplying each Class D share to be converted by the applicable "Conversion Rate" described herein, on the earlier of (i) a listing of the Class A shares on a national securities exchange; (ii) a merger or consolidation of the company with or into another entity, or the sale or other disposition of all or substantially all of our assets; (iii) after the termination of this primary offering in which the initial Class D shares in the account were sold, the end of the month in which total underwriting compensation paid in this primary offering is not less than 10% of the gross proceeds of this primary offering from the sale of Class A, Class T, Class D and Class I shares; and (iv) the end of the month in which the total underwriting compensation paid in any particular account with respect to such Class D shares purchased in this primary offering, comprised of the dealer manager fees, selling commissions, and distribution and shareholder servicing fees, is not less than 8.5% of the gross offering price of those Class D shares purchased in such primary offering (excluding shares purchased through our distribution reinvestment plan and those received as dividends). We will also cease paying the distribution and shareholder servicing fee with respect to Class D shares on the date upon which our shareholder distribution and servicing fee plan adopted by our board of directors terminates or is not continued with respect to the Class D shares. Such plan must be approved annually by a vote of our board of directors, including a majority of our independent directors, who have no direct or indirect financial interest in the operation of such plan or any agreements related to such plan. If we redeem a portion, but not all of the Class D shares held in a shareholder's account, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class D shares that were redeemed and those Class D shares that were retained in the account. Likewise, if a portion of the Class D shares in a shareholder's account is sold or otherwise transferred in a secondary transaction, the total underwriting compensation limit and amount of underwriting compensation previously paid will be prorated between the Class D shares that were transferred and the Class D shares that were retained in the account.

The "Conversion Rate" with respect to Class T shares will be equal to the quotient, the numerator of which is the net asset value per Class T share (including any reduction for distribution and shareholder servicing fees as described herein) and the denominator of which is the net asset value per Class A share. The "Conversion Rate" with respect to Class D shares will be equal to the quotient, the numerator of which is the net asset value per Class D share (including any reduction for distribution and shareholder servicing fees as described herein) and the denominator of which is the net asset value per Class A share.

We will further cease paying the distribution and shareholder servicing fee on any Class T or Class D share that is redeemed or repurchased, as well as upon our dissolution, liquidation or the winding up of our affairs, or a merger or other extraordinary transaction in which the company is a party and, with respect to Class T shares, in which the Class T shares as a class are exchanged for cash or other securities, or, with respect to Class D shares, in which the Class D shares as a class are exchanged for cash or other securities. If we liquidate (voluntarily or otherwise), dissolve or wind up our affairs, then, immediately before such liquidation, dissolution or winding up, our Class T shares and Class D shares will automatically convert to Class A shares at the applicable Conversion Rate and our net assets, or the proceeds therefrom, will be distributed to the holders of Class A shares, which will include all converted Class T shares and Class D shares, in accordance with their proportionate interests.

With respect to the conversion of Class T shares or Class D shares into Class A shares described above, each Class T share or Class D share, as applicable, will convert into an equivalent amount of Class A shares based on the respective net asset value per share for each class. Following the conversion of their Class T shares or Class D shares into Class A shares, those shareholders continuing to participate in our distribution reinvestment plan will receive Class A shares going forward at the then-current distribution reinvestment price per Class A share, which may be higher than the distribution reinvestment price that they were previously paying per Class T share or Class D share, as applicable.

The aggregate amount of underwriting compensation from any source for the Class A shares, Class T shares and Class D shares, including the distribution and shareholder servicing fees for the Class T shares and Class D shares, will not exceed FINRA's 10% cap on underwriting compensation.

Volume Discounts (Class A Shares Only)

In connection with the purchase of a certain minimum number of Class A shares by an investor who does not otherwise qualify for the reduction in selling commissions described above, the amount of selling commissions otherwise payable to the Managing Dealer (and reallowable by the Managing Dealer to a participating broker) may be reduced in accordance with the following schedule:

Amount of Shares Purchased	Purchase Price per Incremental Class A Share in Volume Discount Range	Maximum Reallowable Commissions on Sales per Incremental Share in Volume Discount Range	
		Percent	Dollar Amount
Up to $500,000	$39.14	6.00%	$2.35
$500,001—$750,000	$38.71	5.00%	$1.94
$750,001—$1,000,000	$38.30	4.00%	$1.53
$1,000,001—$2,500,000	$37.89	3.00%	$1.14
$2,500,001—$5,000,000	$37.50	2.00%	$0.75

We will apply the reduced selling price per share and selling commissions to the incremental shares within the indicated range only. We will apply the reduced selling price per share and selling commissions to the incremental shares within the indicated range only. Thus, for example, a total subscription amount of $1,250,000 would result in the purchase of approximately 32,358 shares at a weighted average purchase price of approximately $38.63 per share as shown below:

$500,000 at $39.14 per share = 12,776 shares (6.00% selling commission + 2.50% dealer manager fee);

$250,000 at $38.71 per share = 6,458 shares (5.00% selling commission + 2.50% dealer manager fee);

$250,000 at $38.30 per share = 6,527 shares (4.00% selling commission + 2.50% dealer manager fee); and

$250,000 at $37.89 per share = 6,597 shares (3.00% selling commission + 2.50% dealer manager fee).

To the extent requested in writing by an investor as described below, our volume discount is cumulative. To the extent an investor's cumulative purchases qualify for a volume discount, the investor's purchase will qualify for a volume discount equal to (i) the volume discount for the applicable individual purchase or (ii) to the extent the subsequent purchase when aggregated with the prior purchase(s) qualifies for a greater volume discount, a greater discount.

Subscriptions may be combined for the purpose of determining volume discounts described above in the case of subscriptions made by any purchaser, provided all shares are purchased through the same Managing Dealer, participating broker-dealer or registered investment adviser. Further, subscriptions made by a purchaser through separate accounts may also be combined for the purpose of determining volume discounts to the extent that the accounts share the same primary account holder, as determined by the account tax identification number, or share the same tax identification number as a beneficiary of the account. The discounts will be prorated among the separate subscribers considered to be a single purchaser. An individual and his or her spouse who purchases our shares for their own accounts will be considered a single purchaser. Subscriptions made through separate accounts will be considered a single purchaser if the accounts have a common primary account holder or account beneficiary, as determined by the tax identification number. For purposes of applying such discounts, shares purchased pursuant to our distribution reinvestment plan on behalf of a participant in the distribution reinvestment plan will not be combined with other subscriptions for shares by the investor. Any reduction in selling commissions and/or dealer manager fees will reduce the effective purchase price per share but will not alter the proceeds available to us as a result of such sale. For purposes of distributions, investors who receive a discounted purchase price will receive higher returns on their investments in our shares than investors who do not receive a discounted purchase price.

Indemnification of the Managing Dealer and Participating Broker-Dealers

To the extent permitted under applicable law and our LLC Agreement, we have agreed to indemnify the Managing Dealer, participating broker-dealers, and participating registered investment advisers against certain liabilities arising under the Securities Act and liabilities arising from breaches of our representations and warranties contained in the Managing Dealer Agreement. To the extent permitted under applicable law and our LLC Agreement, the Managing Dealer has agreed to indemnify us and our officers and directors against certain liabilities arising under the Securities Act and liabilities arising from breaches of our representations and warranties contained in the Managing Dealer Agreement. To the extent permitted under applicable law and our LLC Agreement, we, the Managing Dealer and CFG have agreed to indemnify certain participating broker-dealers directly against certain liabilities arising under the Securities Act, liabilities arising from breaches of our representations and warranties contained in relevant selected dealer agreement and liabilities arising from violation or alleged violation of any applicable state or federal law.

Subscription Procedures

We will schedule monthly closings on subscriptions received and accepted by us. The monthly closing date on which we will accept subscriptions is expected to be the last business day of each month. Subscriptions will be effective only upon our acceptance, and we reserve the right, in our sole discretion, to accept or reject any subscription in whole or in part. Generally, an investor will know the monthly closing date that applies to their subscription. In the event we adjust the offering price after an

investor submits their subscription agreement and before the date we accept such subscription, such investor will not be provided with direct notice by us of the adjusted offering price but will need to check our website or our filings with the SEC prior to the closing date of their subscription. In this case, an investor will have at least five business days after we publish the adjusted offering price to consider whether to withdraw their subscription request before they are committed to purchase shares upon our acceptance. If the offering price is adjusted after an investor submits their subscription agreement and before the date we accept such subscription, the number of shares that an investor ultimately receives may vary. For example, a one percent increase to the offering price would cause an approximately a one percent reduction in the number of shares an investor would receive, and a one percent decrease to the offering price would result in an approximately a one percent increase to the number of shares an investor would receive. However, there is no assurance that your subscription will be accepted or close on a succeeding month following your subscription date.

Funds received in connection with a subscription will be placed in a non-interest-bearing escrow account pending our monthly closing. We are not permitted to accept a subscription for shares of our shares until at least five (5) business days after the date you receive this prospectus. Subscriptions will be accepted or rejected within thirty (30) calendar days of receipt by us. If your subscription is rejected, all subscription funds will be returned to you without deduction for any expenses within ten (10) business days from the date the subscription is rejected.

All subscribers must complete and execute a subscription agreement, a specimen copy of which is attached as Appendix A to this prospectus, in order to purchase shares in this offering. Subscription agreements may be executed by investors with either a physical or, in certain jurisdictions where permitted, an electronic signature. All subscriptions for shares must be accompanied by a check or a wire payment for the full amount of the purchase price for the shares.

Subscription checks may be made payable to "UMB Bank, N.A., Escrow Agent for CNL Strategic Capital, LLC" and wires are to be transmitted directly to the escrow account as indicated on the subscription agreement. Subscription funds will be deposited into a non-interest bearing reconciliation account. Subscription funds held in the non-interest bearing account following the escrow period do not accrue interest or any other benefits to you. The investment proceeds will be transferred to our operating account no later than the close of business on the first business day following the day the funds were placed into the reconciliation account.

If the participating broker-dealer's internal supervisory procedures must be conducted at the same location at which subscription documents and checks are received from subscribers, the participating broker-dealer will deliver such checks to our transfer agent no later than the close of business on the first business day after receipt of checks for subscriptions. If the participating broker-dealer maintains a branch office, and, pursuant to a participating broker-dealer's internal supervisory procedures, final internal supervisory review is conducted at a different location, the branch office will transmit the subscription documents and check to the office of the participating broker-dealer conducting such internal supervisory review by the close of business on the first business day following the receipt of the subscription documents by the branch office. Additionally, in these cases, the participating broker-dealer will review the subscription documents and subscriber's check to ensure their proper execution and form and, if they are acceptable, transmit the check to our transfer agent by the close of business on the first business day after the check is received by such other office of the participating broker-dealer.

All subscription documents will be sent to our transfer agent. Once our transfer agent receives subscription documents as set forth above, it will make a determination regarding whether or not the investor's subscription documents are in good order. If the investor's subscription documents are found to be in good order, then the investor's funds will remain in escrow pending our monthly closing. If the subscription documents are rejected for any reason, we will instruct the escrow agent to promptly issue a refund payment payable to the subscriber to be transmitted to our transfer agent for return to the subscriber. SS&C Technologies, Inc. (f/k/a DST Systems, Inc.), is our transfer agent. Its telephone number is (866) 650-0650. Its address is CNL Strategic Capital, LLC, c/o SS&C Technologies, Inc. (f/k/a DST Systems, Inc.), 430 W. 7th Street, Suite 219001, Kansas City, Missouri 64105.

By executing a subscription agreement, you agree to be bound by each of the terms and conditions of our LLC Agreement and are granting power of attorney to the Manager which allows you to be one of our shareholders even though shareholders do not actually sign the LLC Agreement. We may not accept a subscription for shares until at least five business days after the date you receive the final prospectus. If we accept your subscription, either your financial intermediary or our transfer agent will mail you a confirmation statement. If a subscriber's check does not clear or a wire is not received in good order, then the subscriber will not be admitted as a shareholder and will not be entitled to any distributions.

Suitability Standards

Our sponsor and each person selling shares on our behalf have the responsibility to make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment based on information provided by a prospective investor regarding the investor's financial situation and investment objectives. In making this determination, our

sponsor and those selling shares on our behalf have a responsibility to ascertain that the prospective investor meets the minimum income and net worth standards set forth under "Suitability Standards" and:

- can reasonably benefit from an investment in our shares based on the subscriber's overall investment objectives and portfolio structure;
- is able to bear the economic risk of the investment based on the subscriber's overall financial situation; and
- has apparent understanding of the fundamental risks of the investment, including the risk that the subscriber may lose the entire investment, the lack of liquidity of our shares, the restrictions on transferability of our shares, the background and qualifications of the Manager, the Sub-Manager and their respective affiliates and the tax consequences of the investment.

When determining an investor's suitability, participating broker-dealers rely on relevant information provided by the investor, including information as to the investor's age, investment objectives, investment experience, income, net worth, financial situation, other investments and any other pertinent information; however, each such investor and the participating broker should be aware that determining investor suitability is the responsibility of the participating broker alone. Furthermore, each participating broker is required to maintain, for the period required by applicable laws and regulations, records of the information used to determine that an investment in our shares is suitable and appropriate for each investor.

Liquidity of Prior Programs

FINRA member firms selling certain non-traded direct participation programs are required to disclose all pertinent facts relating to the liquidity and marketability of the program, including whether prior programs offered by an affiliated program sponsor liquidated on or around the date or time period disclosed in the prospectuses for those programs. Affiliates of CNL previously sponsored eight non-traded public real estate investment trust programs and two non-traded public business development companies. Six non-traded public real estate investment trust programs and two non-traded public business development company completed their liquidity events prior to the date contemplated in each program's offering document. One non-traded public real estate investment trust program had delayed an investor's liquidity event beyond the date contemplated in the program's offering document but has subsequently completed its liquidity event. One non-traded public real estate investment trust program is currently within the liquidity time period disclosed in the prospectus for the program but has not had a liquidity event. The Managing Dealer has served as the Managing Dealer for all of the above referenced non-traded direct participation programs.

Offering Restrictions

Notice to Prospective Non-U.S. Investors

Our shares described in this prospectus have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in this prospectus. To the extent you are a citizen of, or domiciled in, a country or jurisdiction outside of the United States, please consult with your advisors before purchasing or disposing of shares. This prospectus does not constitute an invitation or offer to the public outside of the United States, whether by way of sale or subscription. Participating broker-dealers may not offer or sell, directly or indirectly, any shares outside of the United States.

REPORTS TO SHAREHOLDERS

We provide periodic reports to shareholders regarding our operations over the course of the year. Financial information contained in all reports to shareholders are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States and the American Institute of Certified Public Accountants, or AICPA, Audit and Accounting Guide for Investment Companies. IRS Schedule K-1s will be mailed to the shareholders for each calendar year as soon as reasonably practicable, and we will use our best efforts to provide such information no later than 75 days after the end of such year.

Within 45 days after the end of each fiscal quarter, we are required to file our quarterly report on Form 10-Q. Within 90 days after the end of each fiscal year, we are required to file our annual report on Form 10-K and then we will provide a copy of our annual report on Form 10-K, either (i) to all shareholders of record as of the end of each fiscal year shortly after filing it with the SEC or (ii) to all shareholders of record in preparation for our annual meeting of holders of shares. We also file with or submit to the SEC current reports on Form 8-K and other information meeting the informational requirements of the Exchange Act. Our annual reports on Form 10-K and quarterly reports on Form 10-Q are made available on our website at *www.cnlstrategiccapital.com* following the end of each fiscal quarter and fiscal year, as applicable, and these reports, as well as our current reports on Form 8-K, will be available on the SEC's website at *www.sec.gov*. See "Available Information." To the extent required by law or regulation, or, in our discretion, we may also make certain of this information available to you via U.S. mail or other courier. You may always receive a paper copy upon request.

We may also receive requests from shareholders and their investment or financial advisors to answer specific questions and report to them regarding our operations over the course of the year utilizing means of communication in addition to the periodic written reports referred to in the previous paragraph. Personnel from the Managing Dealer and the Manager's investor relations groups will endeavor to meet any such reasonable request electronically or in person. We expect that the costs not material to our total operation budget will be incurred to provide this shareholder service.

Subject to availability, you may authorize us to provide annual reports, proxy materials, and other information or reports electronically by so indicating on your subscription agreement, by sending us instructions in writing in a form acceptable to us, or by registering your preference at *www.cnlstrategiccapital.com/gopaperless*. You must have Internet access to use electronic delivery. While we impose no additional charge for this service, there could be costs associated with electronic delivery, such as online access charges. In addition, all such documents and information may be accessed and printed from our website. As documents and information become available, if we have your email address on record, we will notify you by sending you an email message, which will include instructions on how to retrieve the document. If our email notification is returned to us as "undeliverable," we will contact you to obtain your updated email address. If we are unable to obtain a valid email address for you, we will resume sending paper copies by regular U.S. mail to your address of record. You may revoke your consent for electronic delivery at any time and we will resume sending you paper copies of all documents that we are required to provide to you. However, in order for us to be properly notified, your revocation must be given to us within a reasonable time before electronic delivery has commenced. We will provide you with paper copies at any time upon request. Such request will not constitute revocation of your consent to receive required documents electronically.

SHAREHOLDER PRIVACY NOTICE

We collect nonpublic personal information about our shareholders in the ordinary course of establishing and servicing their accounts. For example, it includes a shareholder's address, social security or taxpayer identification number, account balance, income, investment activity, and bank account information. We provide this information to our service providers, including our Manager and Sub-Manager, as necessary for the servicing of your account. Our service providers in turn have an obligation to protect the confidentiality of your personal information. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. A copy of our privacy policy is available upon request and is also located on our website at *www.cnlstrategiccapital.com.*

REINVESTMENT AGENT, REPURCHASE AGENT, TRANSFER AGENT AND REGISTRAR, AND ESCROW AGENT

SS&C Technologies, Inc. (f/k/a DST Systems, Inc.) acts as our reinvestment agent, repurchase agent, transfer agent and registrar. The principal business address of SS&C Technologies, Inc. (f/k/a DST Systems, Inc.), is 430 W. 7th Street, Suite 219001, Kansas City, MO 64105, telephone number: (866) 650-0650.

UMB Bank, N.A. is our escrow agent. The principal business address of our escrow agent is 1010 Grand Boulevard, 4th Floor, Kansas City, Missouri 64106 and its telephone number is 816-860-3017.

SUPPLEMENTAL SALES MATERIAL

In addition to this prospectus, we intend to use supplemental sales material in connection with this offering of our shares, but only in permitted jurisdictions and only when accompanied by or preceded by the delivery of this prospectus, as supplemented. Some or all of the sales material may not be available in certain jurisdictions. No sales material may be used unless it has first been approved by us in writing and cleared by the appropriate regulatory agencies. Clearance, if provided, does not, however, indicate that the regulatory agency allowing the use of the materials has passed on the merits of this offering or the adequacy or accuracy of the materials. We anticipate that sales materials will be provided in various electronic formats to participating brokers for their internal use as well as for use with potential investors. The electronic formats we anticipate using may include, but are not limited to: viewable and downloadable data from a website, USB memory sticks and email. As of the date of this prospectus, we anticipate that the following sales material may be used in connection with this offering:

- a brochure entitled "CNL Strategic Capital, LLC";
- a fact card describing our general features;
- a cover letter transmitting the prospectus;
- a summary of our businesses and other assets;
- an electronic interactive media;
- a summary description of this offering;
- a presentation about us;
- a script for telephonic marketing;
- participating broker-dealer updates;
- flyers describing our recent acquisitions;
- sales support pieces;
- seminar advertisements and invitations;
- certain third-party articles;
- industry-specific information piece reprints;
- distribution pieces;
- website material;
- online investor presentations and webinars; and
- client seminars and seminar advertisements and invitations.

This sales material may also include information relating to this offering, the past performance of the Manager, the Sub-Manager and their respective affiliates, and investments. In addition, the sales material may contain quotes from various publications without obtaining the consent of the author or the publication for use of the quoted material in the sales material. We also may respond to specific questions from participating brokers and prospective investors. Additional materials relating to this offering may be made available to participating broker-dealers for their internal use.

We are offering shares in this offering only by means of this prospectus. Although the information contained in the supplemental sales material will not conflict with any of the information contained in this prospectus, such sales material does not purport to be complete, and should not be considered (i) a part of this prospectus or the registration statement of which this prospectus is a part, (ii) to be incorporated by reference in this prospectus or said registration statement, or (iii) as forming the basis of the offering of the shares.

LEGAL MATTERS

The validity of the shares offered by us in this offering will be passed upon for us by Clifford Chance US LLP, New York, New York.

EXPERTS

The consolidated financial statements of CNL Strategic Capital, LLC appearing in CNL Strategic Capital, LLC's Annual Report (Form 10-K) for the year ended December 31, 2024, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Sill Holdings, LLC and subsidiaries incorporated into this prospectus have been audited by Plante Moran, PLLC, an independent registered public accounting firm, as set forth in their report, and have been so incorporated in reliance on such report given on the authority of such firm as experts in accounting and auditing.

INCORPORATION BY REFERENCE

In this prospectus, we "incorporate by reference" certain information we filed with the SEC, which means that we may disclose important information to you by referring you to other documents that we have previously filed with the SEC. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below, except for any document or portion thereof deemed to be "furnished" and not filed in accordance with SEC rules:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed on March 31, 2025.
- Our Definitive Proxy Statement on Schedule 14A filed on April 2, 2025.
- Our Current Reports on Form 8-K filed on January 24, 2025, February 21, 2025, and March 21, 2025.
- Our Registration Statement on Form 8-A (containing the description of our shares) filed on April 27, 2020, as updated by Exhibit 4.4 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed on March 30, 2021.

All documents subsequently filed (but not those that are furnished) by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of this offering, shall be deemed to be incorporated by reference into this prospectus. The information contained in this prospectus should be read together with the information in the documents incorporated by reference.

You can obtain any of the documents incorporated by reference in this document from us, or from the SEC through the SEC's website at the address *www.sec.gov*. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this document. You can obtain documents incorporated by reference in this document, at no cost, by requesting them in writing or by telephone from us at the following address or telephone number or at our website at *www.cnlstrategiccapital.com.*

CNL Strategic Capital, LLC
450 South Orange Avenue
Orlando, Florida 32801
Tel (407) 650-1000

AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form S-1, together with all amendments and related exhibits, under the Securities Act, with respect to our shares offered by this prospectus. The registration statement contains additional information about us and our shares being offered by this prospectus. The contents of our website, *www.cnlstrategiccapital.com*, are not incorporated by reference in or are otherwise a part of this prospectus.

We will file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC. The address of this website is *http://www.sec.gov*. All summaries contained herein of documents which are filed as exhibits to the registration statement are qualified in their entirety by this reference to those exhibits.

UP TO $1,100,000,000 IN SHARES OF

CLASS A, CLASS T, CLASS D AND CLASS I LIMITED LIABILITY COMPANY INTERESTS

CNL STRATEGIC CAPITAL, LLC

PROSPECTUS

APRIL 7, 2025

You should rely only on the information contained in this prospectus. No dealer, salesperson or other person is authorized to make any representations other than those contained in the prospectus and supplemental literature authorized by CNL Strategic Capital, LLC and referred to in this prospectus, and, if given or made, such information and representations must not be relied upon. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities. You should not assume that the delivery of this prospectus or that any sale made pursuant to this prospectus implies that the information contained in this prospectus will remain fully accurate and correct of any time subsequent to the date of this prospectus.