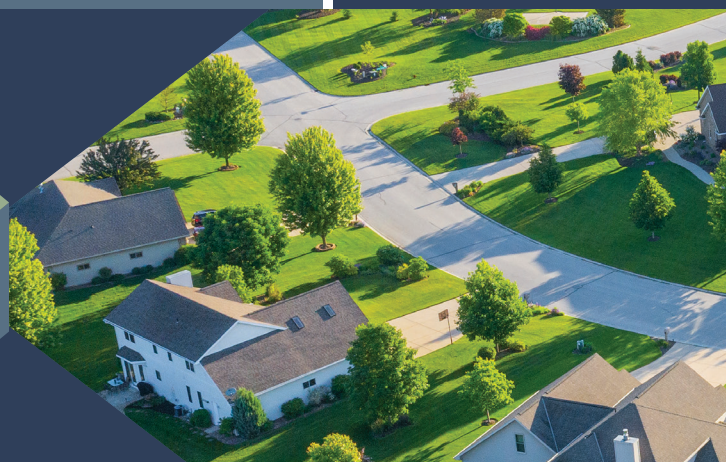
CNL *Strategic Residential Credit*

Sub-advised by **Balbec Capital**

OVERVIEW FLYER



A DIFFERENTIATED ASSET-BACKED CREDIT STRATEGY

OBJECTIVE

Seeks to generate attractive risk-adjusted returns with high current income for our stockholders, through cash distributions and capital appreciation, across interest rate and credit cycles.[1]

AT-A-GLANCE

Seeks to provide a risk-mitigated alternative income strategy by investing in amortizing residential real estate credit and related assets that offers the following potential benefits:[2]

- **Income Diversification**
  Alternative to corporate private credit and traditional income investments.
- **Tax-advantaged Real Estate Investment Trust (REIT) Structure**
  Pass-through tax treatment, Qualified Business Income (QBI) deduction and 1099 tax reporting.
- **Backed by Real Assets**
  Mortgage assets collateralized by single-family homes with conservative loan-to-value (LTV) ratios.
- **Strategic Interest Rate Hedges**
  Through mortgage servicing rights, treasury hedges and mortgage loans.
- **Rigorous Industry Standards**
  Highly codified and strict mortgage underwriting under the Dodd-Frank Act.

KEY STATS

Maximum Offering Size:
Up to $250 million

Minimum Investment:
$10,000

Annualized Distribution Rate:[3]
8.24%

There is no assurance that CNL Strategic Residential Credit will achieve the stated objectives.

[1] Distributions are not guaranteed in frequency or amount.

[2] CNL Strategic Residential Credit intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, commencing with the taxable year ending Dec. 31, 2026. If the fund fails to achieve or maintain a REIT status for any taxable year, it will be subject to federal income tax on taxable income at regular corporate rates. Not all of the investment portfolio will be backed by real assets. CNL Strategic Residential Credit invests in loans collateralized by real property, it does not directly own real estate. Mortgage servicing rights, derivatives and other hedging transactions may not be effective in mitigating risk in all market environments or against all types of risk.

[3] The annualized distribution rate for Class FA shares is calculated by annualizing the current per-share distributions paid and dividing by the net asset value (NAV). Class FA shares are not available to all investors and do not have selling commissions or dealer manager fees. For the year-to-date period ended Aug. 31, 2026, total distributions declared were 0.0% from net investment income before expense support, 98.1% from expense support, 1.9% from net realized gains and 0% from offering proceeds. Distributions paid are not solely based upon performance. Subject to certain conditions being met, CNL Strategic Residential Credit is obligated to repay expense support to the managers over several years, which would reduce future income available for distributions. Distribution composition of coverage will vary among share classes, and the actual fiscal year distribution composition will not be known until the audited Form 10-K is filed. For the year-to-date period ended Aug. 31, 2026, CNL Strategic Residential Credit's per share net investment income was $0.85 for Class FA.



FORGING A STRONGER SYSTEM AFTER THE GLOBAL FINANCIAL CRISIS

The Dodd-Frank Act overhauled regulations after the Great Financial Crisis (GFC) and fundamentally reshaped the mortgage market, particularly the non-agency sector, by instituting several critical safeguards:

- Stricter mortgage underwriting standards (such as the ability-to-repay rule).
- Consumer Financial Protection Bureau (simplified mortgage disclosures and oversees mortgage originators and servicers).
- Risk retention requirements for securitizers (securitizers retain at least 5% of credit risk to align interests of securitizers with residential mortgage-backed securities (RMBS) investors.)

We believe these reforms have fundamentally de-risked and strengthened the non-agency mortgage market. Subprime borrowers (credit scores below 620) peaked in 2006. Post-GFC underwriting requirements have greatly reduced the percentage of mortgages provided to subprime borrowers. In fact, the median credit score for U.S. mortgage borrowers stood at a robust 762 in the first quarter of 2026, according to data from the Federal Reserve Bank of New York. This high median score underscores a competitive mortgage market where lenders are favoring borrowers with exceptional credit histories.

SOURCE: New York Fed Consumer Credit Panel/Equifax, Q1 2026.



The median credit score for U.S. mortgage borrowers stood at a robust 762 in the first quarter of 2026.

– Federal Reserve Bank of New York

OPPORTUNISTIC FUND ALLOCATION

Balbec Capital's captive infrastructure supports the three main pillars of the investment platform:

Amortizing and Income-Generating Financial Assets	Target Allocations
Residential Mortgage Loans Acquire performing and re-performing mortgage loans with the intent of issuing residential mortgage-backed securities collateralized by the mortgages.	**40% - 50%** of Fund Assets
Mortgage Servicing Rights (MSRs) The right to service mortgage loans in exchange for a fixed servicing fee.	**40% - 50%** of Fund Assets
Residential Mortgage-Backed Securities (RMBS) Purchase non-agency RMBS that are collateralized by residential mortgages.	**10% - 15%** of Fund Assets

Subject to change. Provided for illustrative purposes. There is no assurance that CNL Strategic Residential Credit will achieve or maintain the stated target allocations. CNL Strategic Residential Credit invests in loans collateralized by real property, it does not directly own real estate.

EXPERIENCED SPONSORS

CNL®

Where Vision Creates Value®
Since inception, CNL Financial Group has:

52 YEARS
52 years of investment experience, providing institutional investments to Main Street.

$37B
Formed or acquired companies with more than $37B in assets.

$20B
Raised more than $20B in public and private offerings.

127
Sponsored 127 investment offerings, including 32 public funds and 95 private programs.

BALBEC CAPITAL LP

Balbec Capital believes their competitive advantage is driven by their nimble approach and expertise investing across residential credit assets.

15 YEARS
Over 15 years of identifying and executing investments in asset-based credit.

$35B
Deployed over $35B globally through its funds and investment vehicles.

0.18%
0.18% deal-level loss ratio across 4,000+ investments.[4]

100+
Issued over 100 residential mortgage securitizations under PRPM shelf.

As of March 31, 2026. CNL Strategic Residential Credit's advisor is CNL Residential Credit Manager, LLC (an affiliate of CNL Financial Group) and the sub-advisor is Balbec Capital Management, L.P. (an affiliate of Balbec Capital LP). Each advisor is an investment adviser registered with the U.S. Securities and Exchange Commission. Investors should not rely on the past performance of the advisors or their respective affiliates as an indication of future performance. CNL Strategic Residential Credit is a different investment vehicle with fees, expenses, regulation and risks dissimilar to the advisors' other funds and this is the first time the advisors have partnered together.

[4] Data is inclusive of Balbec's prior fund investments since inception (2010) and is reflective of 47 actual and projected losses with a realized/projected multiple on invested capital (MOIC) less than 1.00, using the investments' unlevered purchase prices. There is no guarantee CNL Strategic Residential Credit will have similar results as its structure and investment strategy are different than certain of these prior programs.



OFFERING DETAILS

CNL Strategic Residential Credit	
Strategy	Invest primarily in U.S. performing and re-performing whole loan mortgages, mortgage servicing rights and residential mortgage-backed securities
Investment Structure[5]	A Maryland corporation electing to be taxed as a REIT, perpetual-life vehicle
Investment Managers[6]	Advisor: CNL Residential Credit Manager, LLC Sub-advisor: Balbec Capital Management L.P.
Subscriptions	Monthly, offering price adjusted based on NAV
Net Asset Value (NAV)[7]	Monthly
Limited Share Repurchase Plan[8]	Quarterly share repurchase plan is based on NAV. There will be numerous restrictions that limit an investor's ability to sell their shares. The share repurchase plan can be modified at any time by the board of directors.
Financial Suitability Standards	Accredited investors
Share Classes	Class FA, A, T, I
Tax Reporting	Form 1099

CNL Strategic Residential Credit pays substantial fees and expenses, which will reduce the amount of cash available for loans or distributions to stockholders. Read the private placement memorandum (PPM) for complete details on the risks, fees and expenses.

[5] CNL Strategic Residential Credit intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes, commencing with the taxable year ending Dec. 31, 2026. If the fund fails to achieve or maintain a REIT status for any taxable year, it will be subject to federal income tax on taxable income at regular corporate rates.

[6] Each advisor is an investment adviser registered with the U.S. Securities and Exchange Commission.

[7] Asset valuations will be estimates of fair value, involve subjective determinations, and the NAV may not accurately reflect the actual price at which assets could be liquidated. The realized value of shares will be dependent upon market conditions that are beyond anyone's ability to control or predict.

[8] An investment in CNL Strategic Residential Credit is illiquid. Shares sold in this offering will not be listed on an exchange or quoted through a quotation system for the foreseeable future, if ever. If investors are able to sell their shares, they may receive less than their purchase price. Repurchase of shares is not guaranteed.

Please read the PPM, including the Risk Factors section, for full details. The PPM may be obtained by calling 866-650-0650.

RISK FACTORS

- This investment is speculative, has substantial costs and is not suitable for all investors. An investment in CNL Strategic Residential Credit involves a high degree of risk, including the loss of all or a substantial amount of your investment. The investment strategy of CNL Strategic Residential Credit is focused primarily on investing in residential credit assets, which presents certain risks, including credit risk, prepayment risk, interest rate risk, securitization loss exposure, and liquidity risk. Please see the PPM for full details.
- **Offering Risk.** The offering is being conducted on a "best efforts" basis. If CNL Strategic Residential Credit is not able to raise a substantial amount of capital in the near term, its ability to achieve its investment objectives could be adversely affected. This will be a "blind pool" offering and thus you will not have the opportunity to evaluate investments before they are made.
- **Investment Objective Risk.** CNL Strategic Residential Credit has no prior operating history and has no experience operating as a REIT. If CNL Strategic Residential Credit fails to qualify as a REIT and no relief provisions apply, the NAV and cash available for distribution to its stockholders could materially decrease. There is no assurance that CNL Strategic Residential Credit will achieve its investment objectives.
- **Undue Reliance on Managers or Past Performance.** CNL Strategic Residential Credit's advisor is CNL Residential Credit Manager, LLC and the sub-advisor is Balbec Capital Management, L.P. Each advisor is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Investors should not rely on the past performance of the advisor or their respective affiliates as an indication of future performance. CNL Strategic Residential Credit is a different investment vehicle with fees, expenses, regulation and risks dissimilar to the advisors' other funds and this is the first time the advisors have partnered together.
- **Conflicts of Interest Risk.** CNL Strategic Residential Credit's advisors and their respective affiliates face conflicts of interest, including those that result from compensation arrangements, allocations of business opportunities, and the allocation of time of their investment professionals. See the PPM for details. CNL Strategic Residential Credit pays substantial fees and expenses to the advisor, the sub-advisor, the managing dealer or their respective affiliates. These payments increase the risk that investors will not earn a profit on their investment.
- **Tax Risks.** CNL Strategic Residential Credit intends to qualify for taxation as a REIT for U.S. federal income tax purposes; however, such qualification is not guaranteed and will be dependent upon its ability to meet certain requirements.
- **Inability to make Distributions Risk.** Distributions are not guaranteed in frequency or amount. Distributions paid are not solely based upon performance. Distributions may be funded from multiple sources, including, but not limited to, offering proceeds, borrowings, operating cash flow and expense support from CNL Strategic Residential Credit's advisors. Distributions that are not derived from operating cash flow produced by performance may not be sustainable. Subject to certain conditions being met, CNL Strategic Residential Credit is obligated to repay expense support to the advisors over several years, which will reduce future income available for distributions.
- **Use of Leverage Risk.** CNL Strategic Residential Credit's strategy is to use a variety of forms of leverage through borrowings, derivatives and other financial instruments. Leverage can increase expenses, add interest rate risk and magnify performance volatility. Please see the PPM for details on the target leverage ratios and limits.
- **Valuation Risk.** Asset valuations will be estimates of fair value, and do not represent the amount an investor would receive now or at any time in the future. CNL Strategic Residential Credit's estimate of fair value for the portfolio involves subjective determinations, and the NAV may not accurately reflect the actual price at which its assets could be liquidated. The realized value of shares will be dependent upon market conditions that are beyond anyone's ability to control or predict.
- **Liquidity Risk.** An investment in CNL Strategic Residential Credit is illiquid. Shares sold in this offering will not be listed on an exchange or quoted through a quotation system for the foreseeable future, if ever. If investors are able to sell their shares, they may receive less than their purchase price. The share repurchase plan has numerous restrictions and offers redemptions up to 2.5% of CNL Strategic Residential Credit's aggregate NAV per calendar quarter and up to 10% of the aggregate NAV for the prior four quarters. The board of directors may amend, suspend, terminate or modify the plan at any time. No secondary market is expected to develop for the stock of CNL Strategic Residential Credit; therefore, investors will be required to bear the economic risk of an investment in the shares for an indefinite period of time.
- **Economic and Market Conditions.** Economic downturns, particularly those affecting the real estate industry, adverse conditions in the areas where CNL Strategic Residential Credit's investments or the properties underlying such investments are located and local real estate conditions, changes in interest rates, inflation, regulatory changes, or geopolitical events could negatively impact CNL Strategic Residential Credit's performance.
- **Past performance is not indicative of future results.**

GENERAL NOTICES

- An investment in CNL Strategic Residential Credit, Inc. is for accredited investors only. This material does not constitute, is not part of, and does not grant permission to make an offer to sell securities and is not the solicitation of an offer to purchase the securities described herein. Consideration of these materials must be read in conjunction with the PPM (as supplemented or amended) in order to understand fully all the objectives, risks, charges and expenses associated with an investment.
- The managing dealer of CNL Strategic Residential Credit is CNL Securities Corp., member FINRA/SIPC. CNL Securities and its associates cannot provide investment advice for any individual or any individual situation and are not acting in a fiduciary capacity.
- The private offering of the securities of CNL Strategic Residential Credit securities have not been approved or disapproved by any federal or state securities commission or regulatory authority.
- Neither the U.S. Securities and Exchange Commission, the Attorney General of the State of New York, nor any other state regulator has passed on or endorsed the merits of this offering. Any representation to the contrary is illegal.
- Shares of CNL Strategic Residential Credit's stock have not been registered under the Securities Act of 1933, as amended, or under the laws of any state. The transferability of the shares is substantially restricted by applicable securities law and the PPM.
- This material contains forward-looking statements. Forward-looking statements are based on current expectations and may be identified by words such as *believes, anticipates, expects, may, will, continues, could, targeted* and terms of similar substance, and speak only as of the date made. Actual results could differ materially due to risks and uncertainties that are beyond the CNL Strategic Residential Credit's ability to control or accurately predict. Investors and financial professionals should not place undue reliance on any forward-looking statements. CNL Strategic Residential Credit undertakes no obligation to publicly update or revise any forward-looking statements.
- This information is not tax or legal advice. Investors should discuss the tax risks associated with this offering with their personal tax professional.

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