INNOVATE
SOLUTIONS GROUP

INNOVATE SOLUTIONS GROUP INVESTMENT SUMMARY

2026

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Executive Summary

INNOVATE SOLUTIONS GROUP

In a world where **uncertainty** can erode wealth as quickly as it is built, investors are increasingly turning to **solutions that offer structure, regulatory protection, liquidity, and long-term growth.**

Graviton, **a leading discretionary fund manager in South Africa within the Sanlam Group,** offers a suite of locally managed, FSCA-regulated investment portfolios, together with the research insights and strategic input of **Innovate Solutions Group. Managed by Lehan Kruger (CFA) who joined Sanlam Investments Multi Manager in 2021**, these model portfolios of approximately **17** carefully selected funds combine institutional governance, disciplined construction, and research-driven refinement to deliver stability, growth, and diversification within a trusted, regulated framework across the risk spectrum.

It also allows the fund manager to make changes efficiently within the portfolio if there is an underperformance or if there is a change of strategy that is required.

As Graviton and Innovate Solutions Group have partnered, each portfolio has a management team with a combined **50+ years of experience in wealth management, investment analytics, tax structuring, retirement planning, and portfolio management.** There is a disciplined investment approach to ensure that every portfolio is optimized to balance risk and return in line with FSCA-regulated standards and your unique risk profile, giving you access to strategies designed to navigate market cycles, **protect capital, and unlock long-term growth opportunities.**

Our Portfolio Overview

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Local Opportunities

Local investments form the foundation of a well-structured portfolio by providing access to familiar markets, regulatory certainty, and income-generating assets within South Africa's financial framework. Through exposure to local equities, bonds, property, and cash, investors can benefit from attractive real yields, reliable income streams, and opportunities tied to domestic economic recovery. FSCA-regulated portfolios offer transparency, governance, and suitability, while active management and diversification across asset classes help manage volatility, preserve capital, and support long-term wealth creation in line with local financial goals and liabilities.

Portfolio Name	1 Year (Annualized) Fund*	3 Year (Annualized) Fund*	5 Year (Annualized) Fund*	5 Year (Annualized) Benchmark*	Standard Deviation	Maximum Drawdown	Portfolio Net Fees	Risk Profile
Innovate Conservative	10.82%	11.41%	9.28%	8.33%	2.76%	-3.65%	0.74%	Conservative
Innovate Stable	14.41%	14.37%	12.42%	10.47%	6.17%	-10.18%	1.11%	Cautious
Innovate Moderate	16.39%	15.91%	14.30%	11.69%	8.17%	13.33%	1.13%	Moderate
Innovate Balanced	16.90%	17.02%	14.68%	12.94%	9.24%	-14.04%	1.15%	Moderate Aggressive
Innovate Worldwide Flexible	17.59%	17.75%	12.89%	10.83%	9.74%	-10.81%	1.29%	Aggressive

Offshore Opportunities

Offshore investments provide investors with access to global growth opportunities, enhanced diversification, and risk mitigation beyond local markets. By allocating across international equities, bonds, and alternative assets, investors benefit from reduced concentration risk, exposure to hard currencies, and participation in world-leading industries and economies. Structured across varying risk profiles, offshore portfolios can deliver capital stability, steady income, or long-term growth, while smoothing volatility through disciplined asset allocation and professional management. This global approach supports wealth preservation, inflation protection, and sustainable capital growth over medium- to long-term investment horizons.

Portfolio Name	1 Year (Annualized) Fund*	3 Year (Annualized) Fund*	3 Year (Annualized) Benchmark*	Standard Deviation	Benchmark Standard Deviation	Portfolio Net Fees	Risk Profile
Innovate Global Stable	7.91%	11.32%	7.56%	7.68%	5.94%	1.00%	Cautious
Innovate Global Balanced	9.11%	13.92%	11.05%	11.69%	9.13%	1.08%	Moderate
Innovate Global Growth	12.97%	18.77%	13.67%	14.65%	11.58%	1.23%	Aggressive

Hedge Fund Opportunity

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At Innovate Solutions Group, we are committed to providing investment solutions that are tailored to meet the needs of our clients. Trevor Glassock was tasked with finding an investment solution for clients who currently have capital in money market accounts earning low returns.

The goal was clear: create an opportunity that allows investors to achieve higher returns than traditional money market accounts, with slightly higher risk while maintaining similar downside protection and liquidity (< 3 days) and benefiting from improved after tax returns (Refer to Bank vs Income Hedge Funds Summary in Excel for details).

After extensive research and due diligence, Innovate Solutions Group is excited to offer you the Innovate Low Volatility Hedge Fund, a SA-domiciled retail hedge fund portfolio designed for investors seeking stable, high-consistency returns with minimal drawdowns. The strategy blends multi-manager hedge fund exposure to deliver a premium to money-market returns with materially reduced volatility relative to traditional income funds or cautious balanced portfolios.

Fund Highlights

Objective: Generate attractive risk-adjusted after-tax returns with very low drawdowns and low correlation to the strategies in traditional asset classes.

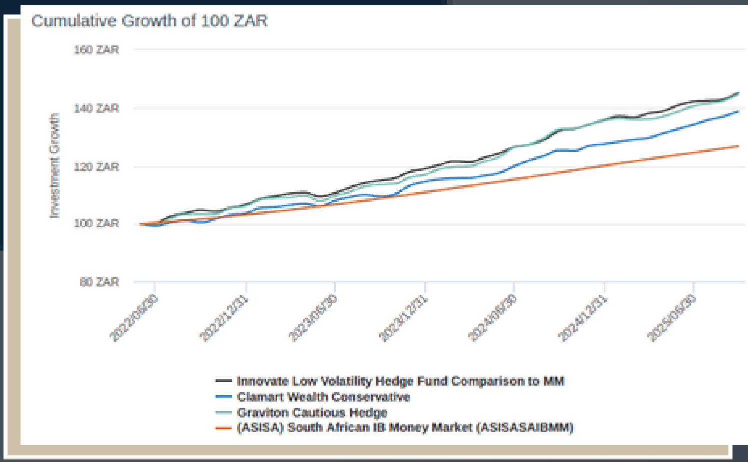
Returns History (Annualized, net of fees):
o 1 Year: 9.94%
o 2 Years: 12.36%
o 3 Years: 11.50%

Volatility: Standard deviation of 1.81%, comparable to cautious hedge strategies and conservative income funds.

Drawdowns: Maximum drawdown of just –0.25%, reflecting exceptional capital stability.

Consistency: Outperformed the SA Money Market benchmark across all rolling 1-, 2-, and 3-year periods – with slightly higher risk than a risk-free rate.

Great After-Tax Returns: As approximately 70-75% of the returns are capital in nature, the income tax rate reduces significantly



Portfolio Structure

The portfolio is designed to hold a diversified blend of SA's leading hedge fund managers with a stellar long track record, including:

- **Peregrine Capital Pure Hedge (50%)**
- **Amplify SCI Real Income RHF (14%)**
- **Amplify SCI Absolute Income RHF (18%)**
- **Amplify SCI Diversified Income RHF (18%)**

These funds have a Cautious Risk Profile.

This diversified portfolio provides exposure to long–short strategies especially with debt instruments and fixed income trading resulting in a defensive profile and resulting in more stabilised returns in any environment.
As the returns of the portfolio are primarily capital in nature (+-75% of the return), there is less income and more gains that are in capital in nature, resulting in a reduction of tax rate of approximately 62% for a marginal taxpayer (45% income tax (on interest income) vs 17% income tax (on innovate volatility hedge fund portfolio) – Refer to Bank vs Income Hedge Funds Summary for details.

Why This Matters for Investors:

The fund offers a compelling alternative to money market portfolios by delivering enhanced yield without a meaningful increase in risk, making it an effective stabiliser within discretionary mandates, living annuities, and conservative risk-profile strategies, while consistently generating positive returns across both high-inflation and high-interest-rate environments.