

Fedgroup launches impact investing in farming in SA

FEDGROUP is pioneering impact investing in South Africa by offering farming investments for socially conscious investors, who also want to realise a fair return.

Fedgroup, a large financial services group, said in a statement their farming investments could potentially produce returns of 10-16%.

“A new generation of socially conscious investors, comprising predominantly Millennials, is driving a prolific trend in global investing. They want their money to do good in the world, while still realising a fair return,” the group said.

By investing in businesses that benefit society or the environment, be it through renewable energy, sustainable farming, infrastructure development or healthcare, impact investors aim to have a real-world impact.

Conventionally, impact investing means buying shares in companies that do good, but Fedgroup believes investing directly into sustainable ventures, instead of on a stock exchange, is a smarter alternative.

“That’s because investing in shares and funds can be unnecessarily complex, and hidden costs and fees eat into your returns,” the group said.

Fedgroup has created an app that allows investors to own farming assets through a quick process.

From as little as R300, investors can own assets from farming partners, including blueberries, sustainable honey and urban solar farms.

The investors buy individual blueberry bushes, beehives and solar panels through the app. These, along with all the others purchased on the app, are installed on an approved site to

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form a venture network that is managed by farming experts.

Fedgroup has contracts with partners to ensure that all the honey, blueberries and energy generated by these assets are purchased as they are produced.

The owners of the assets then earn a regular income from the sale of these products.

This money can then be enjoyed as passive income, or reinvested. The farming assets also qualify for a tax benefit associated with renewable energy and sustainable farming.

“Not only does this model significantly lower the barriers to entry inherent in traditional fund investing, but it also allows socially-conscious investors to make an impact with their money, regardless of the amount invested,” Fedgroup said.

The assets are also insured, the cost of which is included in the purchase price.

“Therefore, if an investor’s asset is ever destroyed in a natural disaster, Fedgroup replaces it,” the group said.

— Business Editor.