

Enjoy the fruits without farming

Make an impact while you profit

By **Angelique Ardé**

If the idea of “socially responsible investing” appeals to you, you may consider investing in your very own blueberry bush, beehive or solar panel. Fedgroup’s newly launched Impact Farming app enables you to do just this, and to earn an income from your “agricultural” assets.

But before you part with your cash, here’s what you need to know.

Socially responsible investing is for investors who want to make an impact with their investments. “Impact is measured not only from an economic – or profit – perspective, but also from an environmental and social perspective,”

Suraj Lallchand, the director of Fedgroup Ventures, a division of Fedgroup, said.

“Impact farming assets could be considered as an option within a well-diversified investment portfolio held by more traditional investors,” Lallchand said.

In other words, you should consider investing once you have investments in various asset classes, such as shares, bonds, listed property and cash, with both local and international exposure through unit trust funds, exchange traded funds (ETFs), or a retirement annuity (RA) that are exposed to all the major asset classes.

Before you invest make sure you have all the essentials in place, such as your debt under control, an emergency fund set up and you have made use of tax breaks that the likes of a

retirement fund offer, Thayn Niemand, a Certified Financial Planner at Verso Wealth, says.

With the offer of returns of between 10% and 16% a year, which is almost double the rates offered by bank deposit type investments, there is a higher risk in this kind of investment, Niemand says.

You also need to consider how much time you have to invest as you cannot readily sell. Since you buy the actual bush, beehive or solar panel, all of which have a life expectancy, you’re in for eight years, 10 years and 20 years, respectively.

Fedgroup is setting up a secondary market for you to sell your bush, beehive or panel if you want out sooner, but it isn’t currently available and when it is you will need to find a willing buyer or sell back to Fedgroup at a percentage of market value.

Because your income is dependent on production, your returns will vary. But Fedgroup says you can expect returns of 10%-12% a year on a so-

lar panel, 12%-14% a year on a blueberry bush and 14%-16% a year on a beehive.

These returns are the projected income minus the original purchase price.

Impact investing typically means buying shares in companies that do good. But Fedgroup believes that investing directly into sustainable ventures could be cheaper to access and avoid hidden costs and fees.

You need only R300 to invest in a blueberry bush, R4 000 to invest in a beehive

and R5 000 to invest in a solar panel. The only fee payable is an annual platform fee of 1% of the price of the bush, beehive or panel. You are the owner and beneficiary of real risks and returns of the bush, beehive or panel. These are managed and maintained on your behalf by those in the know and there is insurance against events such as diseases or natural disasters, but no insurance against your investment failing to yield and the market buying berries, honey or power.



You can invest in your own beehive through the Impact Farming app. /123RF