

INFORMATION MANUAL

HONEY

What is Impact Farming?

Impact Farming is an alternative income generator. Instead of investing in companies or bonds, you, as an Impact Farmer, own the physical asset that produces your income. In this instance you own the beehive and the swarm of bees that you purchase on our platform, as well as all the honey and wax that they produce.

The beehives are housed on the farms of one of our accredited beekeepers. We take care of the insurance and maintenance of your beehives, as well as the harvest and sale of your honey, all included in your purchase price. You then earn an income twice a year after the spring and summer harvests from the sale of your honey.



Own beehives on a commercial farm.

Earn an income twice a year from the honey harvested from your beehive.

14% p.a. Return	R4 000 per beehive Price	10 yrs Lifespan
Citrus Valley, Nelson Mandela Bay, EC, South Africa Location		Honey, beeswax and propolis Products and by-products

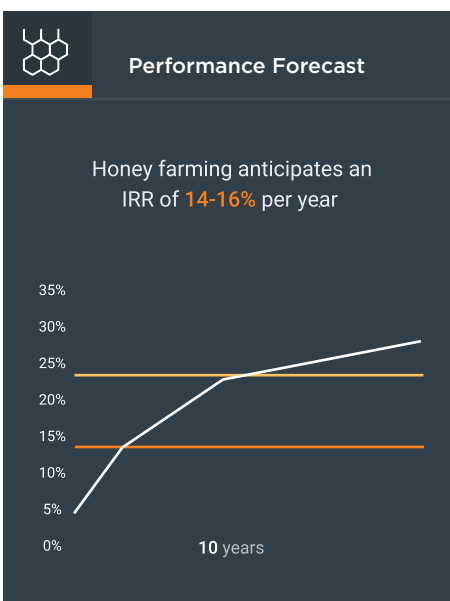
Harvest forecast:
18kg to 20kg of honey per annum and 1kg to 2kg of wax per annum.

Annual income: An internal rate of return of 14% to 16%.

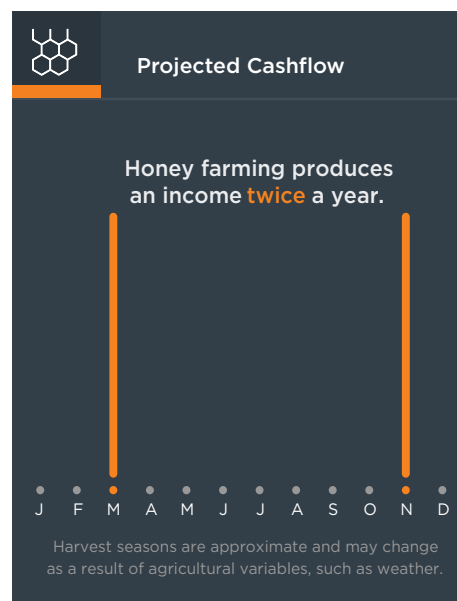
Your internal rate of return (IRR) is the rate you earn after your asset has paid for itself. This is determined by subtracting your initial purchase price from your projected returns.

Projected returns:

You earn an income from the harvests that take place twice a year.



Expected returns over the lifespan of the asset. Harvest seasons are approximate and may change as a result of agricultural variables such as weather.



Your projected returns are linked to inflation. As the price of honey increases each year, so do your returns.

How we measure impact

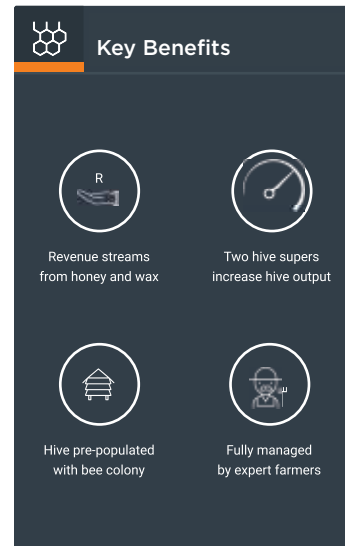


Fedgroup carefully selects our Impact Farming ventures for both the financial impact on your wealth creation and the positive economic, social and environmental impact on the world.

Potential tax rebates

You can apply for a tax rebate under Section 11(e) for the wear and tear on your asset. This allows you to claim back 10% p.a. over the first five years of the life of your asset. You can also apply for a Section 12B accelerated special allowance of 100% in the first year of asset ownership. Fedgroup does not offer tax advice. Please consult your tax practitioner for advice on your potential benefits.

Key Benefits



Above are only some of the key benefits from Impact Farming in beehives. For further benefits, log onto: www.impactfarming.co.za



Our business model

The Fedgroup Impact Farming model features a combination of strong relationships with industry experts, service providers, wholesalers and other role players, connected to you, the individual asset owner, courtesy of our technology.



Our partners and service providers



Menno's Apiaries

Established in 1988 by Menno Alting to serve customers and consumers with all bee-related products in the Eastern Cape. Based in Port Elizabeth, Menno's Apiaries serves a broad range of customers, including citrus farmers, national and independent grocery retailers, independent pharmacies, beekeepers, schools and the general public.

Global Honey Exchange

The Global Honey Exchange was created in order to bring together multiple beekeepers and create a truly South African brand. By harnessing and supporting a network of South African beekeepers we can help supply the demand and create a brand of only non-irradiated, locally produced honey. With over 100 000 hives aimed to be developed over the next five years, the Global Honey Exchange aims to make a significant impact in the beekeeping and honey industry.

Hurters Honey

Started as a family business by Johan Hurter and has been in the honey trade since 1978. Today, Hurters Honey has grown substantially and expanded their vision, not only supplying good quality honey to the South African market, but also the Middle East.

The Village Market Africa

Village Market Africa was founded by two social entrepreneurs as a bee-farming initiative focused on creating and finding a conducive environment for bees to thrive. Initially TVMA was focused on the sale of premium raw honey and organic fresh produce, but has since added natural skincare products and home accessories to their range. Product packages feature unique stories from the villages the products are sourced from as a way of acknowledging the wealth of indigenous wisdom, natural resources and rich history of these villages.

Identified risk and mitigation strategies

Risk Description	Mitigating Action
What happens in the event of fire, theft or vandalism?	Beehives are insured.
Environmental risks (drought, hive abandonment)	Beehives are spread across various locations and geographical areas, limiting the risk of environmental issues.
Credibility of service providers	Research and due diligence done in order to choose the best service providers.
Returns less than quoted	Tested assumptions and applied sensitivity models. However there is always a risk involved, there are some things we can't control.
Liquidity, what happens if I want out?	Secondary market to be launched on V2 of the App (expected 2019) and an undertaking by Fedgroup to buy back the asset at 70% of its market value.
Where can I find the terms and conditions?	Go to your profile on the Fedgroup App and tap on About.

How do I get started?

Download the App today to start your Impact Farming journey.



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