



LEGACY INVEST

A legacy of wealth

Avalon Memoriam Investments 1 Limited

BUSINESS PLAN

CONFIDENTIALITY CLAUSE

The Discloser has disclosed to the Recipient certain confidential information inclusive of all information in this brochure or any other device, documents, plans and projections relating to the development and creation of Avalon Memoriam™ and any associate entities.

The information herewith forwarded is confidential and privileged and the Recipient undertakes to:

- 1.1 use the information only for the purpose as envisaged by the Discloser to gain an overview of the proposed development and creation of Avalon and associated entities with the possibility of investing therein;
- 1.2 treat and safeguard the information as private and confidential;
- 1.3 not at any time without the prior written consent of the Discloser -
 - 1.3.1 disclose or reveal the information or product to any other person or party, other than persons directly involved with the Recipient.
 - 1.3.2 create the impression with or lead any third party to interpret or construe any disclosure that an agency agreement and/ or partnership agreement and/or joint venture and/or other similar arrangement exists between the Discloser and the Recipient.
- 1.4 not utilize the confidential information for the benefit of any third party.

Should the Recipient breach any of the above, the Discloser shall without further notice take action to protect the rights and limit damages that may be sustained.



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A LEGACY OF WEALTH

1. LETTER FROM THE CHAIRMAN

There is a popular philosophy, which dictates that property is one of the most reliable methods of creating a sustainable asset base upon which to build financial independence. Although it is true that fixed property is less volatile than stocks, bonds, futures and other financial instruments, the property market has also experienced its share of some sizeable crashes over the years, often caused by other “external” economic forces.

At Legacy Invest we are constantly on the lookout for investments which have the least possible dependence on external economic factors and which present a strong commercial base founded upon logic, research, market needs and evident demand, with as many built-in safety measures as possible.

The Avalon Memoriam Investment 1 Company is just such an investment. With a fixed 20% simple capital growth per annum, over a six year term, your Return On Investment is 220%. The Project is founded upon the three Pillars of Commerce; being sound research, clear market demand and product viability.

In addition to these three Pillars of Commerce, your investment in Avalon Memoriam Investments 1 Limited is safeguarded by another three pillar structure. Simply put, your investment **as well as the capital growth at a simple rate of 20% per annum**, which results in a total **Real Investment Return of 220%** over the six year term, are supported by a three-tiered Guarantee.

Firstly, for every R15 000.00 investment into this project, you automatically receive an Avalon Funerals Basic Funeral Plan. This is your immediate Value Guarantee, for short term peace of mind. This also allows for instant capital return should you chose to leverage the Funeral Plan instead of holding it as security.

Secondly, your Return On Investment in the Avalon Memoriam Investment 1 Company is supported by a Guaranteed Buy-back Agreement between Avalon Memoriam Investments 1 Limited and Avalon Capital Holdings, the entity which owns all of the rights and titles for the Avalon Memoriam National project. This is a multi million rand initiative, making your investment a part of an even greater objective. This is your Return Guarantee, for peace of mind over the full term of the investment.

Thirdly, the overall value of your investment into this project is secured by the inherent market value of 158 000 niches, as well as by the inherent financial value of the Avalon Group Scheme Funeral Plan, underwritten by a major insurance house, which is a powerful financial instrument in itself.

The combined strength of these three mechanisms minimizes any risk, making this one of the strongest venture investment opportunities currently available.

The Avalon Memoriam investment opportunity being presented by Legacy Invest epitomizes the kind of project which complies with our stringent investment parameters, whilst also capitalizing commercially on one of the absolute certainties of our existence.

The saying goes that the only real certainties in life are death and taxes.

It is an undeniable fact that every one of us, regardless of any and all personal factors, shall one day pass

from this earth. The commercial core of the Avalon Memoriam project is founded upon a dignified and affordable service delivery in regards to this fact, as you will learn when you read the Business Overview chapter of this Prospectus.

As to the latter part of the saying, which refers to taxes, this too is a certainty as well as our civic duty, which we endorse. However, we have structured this amazing investment opportunity in such a way that the taxable component upon your returns is minimized!

Legacy Invest is founded upon the principle of creating investment opportunities that can be deemed not just as a good return, but which create **A Legacy of Wealth!**

The Avalon Memoriam Investments 1 Company allows the investor to become part of an amazing concept which has an Immovable Asset (Property) foundation, upon which we have built a Commercial Concept founded on sound market analysis, logic and market needs. This Commercial Concept fulfills a clear and evident need in our country for safe, secure and functional places in which to inter our loved ones remains. This ties the returns value of the Concept to the inevitability of death. And for the investor, it is a remarkable opportunity to participate in the financing of a project so magnificent, that it would not normally be accessible to the general public, certainly not at such an exceptional rate of return, in a tax friendly manner.

The Company will be funding the project with monies raised through this Offer. In accordance with its business plan the company is now raising capital to advance to the next stage of the Project – the acquisition of the already operational Bloemfontein Memoriam and the acquisition of the Development Rights for Durban and Cape Town.

Subsequently, the Company shall develop the Durban Avalon Memoriam and the Cape Town Avalon Memoriam, together with the necessary infrastructures, such as the Avalon Financial Services and Avalon Funerals regional branches in the respective areas.

This process will immediately increase the value of the Bloemfontein Memoriam by incorporating it into a larger, national network of Memoriam developments. In addition, the value of the Immovable Property in Durban and the value of the Immovable property in Cape Town will be immediately increased by the development of the Durban Memoriam, followed by the same process in Cape Town. These three growth elements form the initial Value Component of the Avalon Memoriam Investments 1 Company.

In the same way that the value of the Bloemfontein Memoriam will be enhanced through the Durban and Cape Town developments, so too will the value of this consortium be enhanced by the several Memoriam developments pending in Gauteng, as well as the Eastern Cape.

The certain success of the Memoriam is based upon the critical National need for such a development, a need identified by government itself, as well as numerous industry experts. The combined strength derived from a collective of three such Memoriam developments, working in unison, will establish the Company as the market leader in the provision of services in its field, as well as being the only provider of these services with an emerging National profile. Market analysis indicates a realistic expectation for achieving a significant sales volume within 3 years after completion of the Project and saturation shortly thereafter.

FURTHERMORE, YOUR CAPITAL IS SECURED BY THE FUNERAL PLAN, AS WELL AS THE BUY-BACK AGREEMENT. YOUR CAPITAL **GROWTH** IS SECURED NOT ONLY BY THE SAME BUY-BACK AGREEMENT, BUT ALSO BY THE GROUP SCHEME FUNERAL INSURANCE POLICY, AS WELL AS THE INTRINSIC VALUE OF 158 000 NICHES.

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Should you not call up your rights on any of the Funeral Plans which will be issued in your name, then your shares will be purchased back by Avalon Capital Corporation, or its nominee, after 6 years from the investment date, thereby effectively **guaranteeing** you the 20% per annum simple capital growth, over the six year term, resulting in a Real Investment Return of 220%!

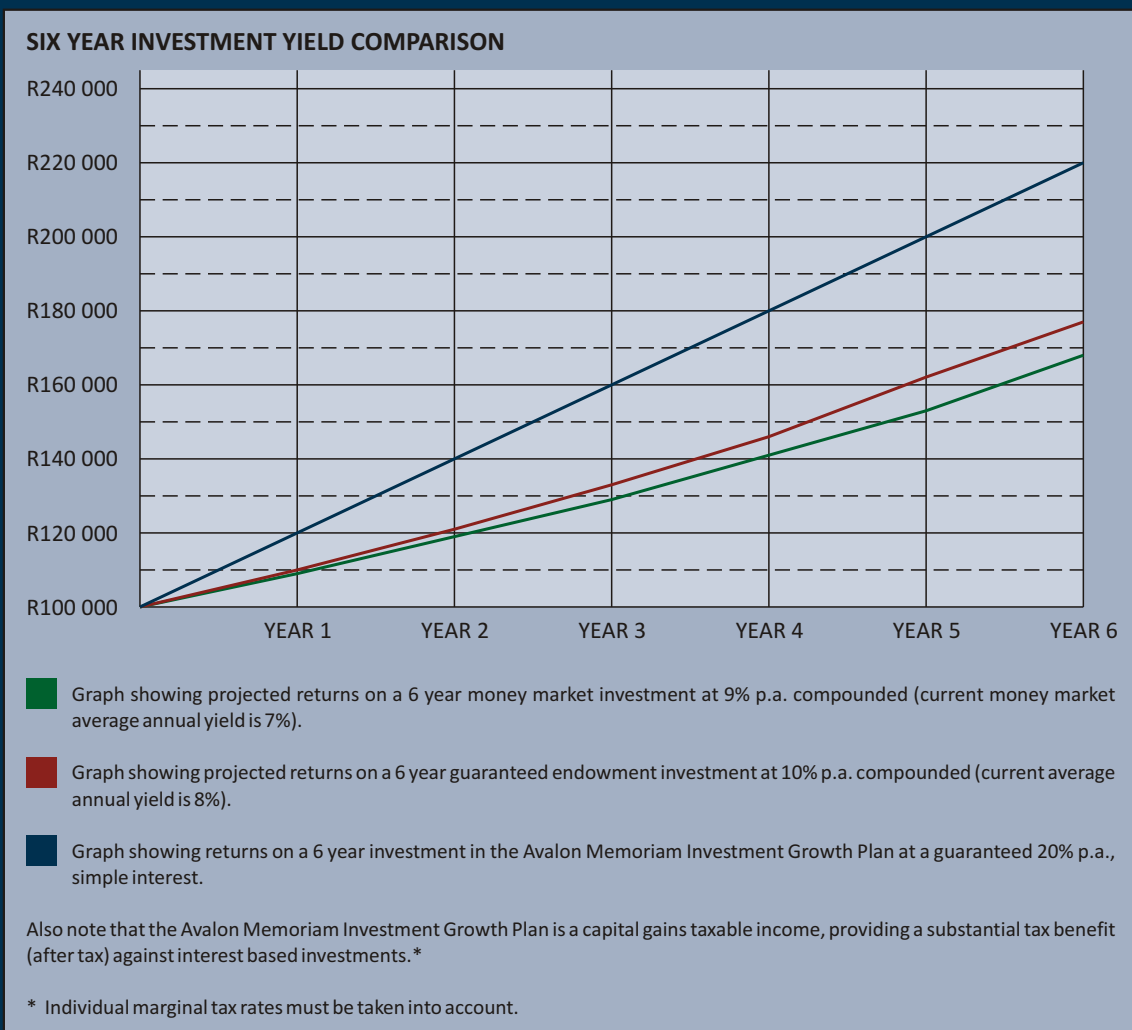
Legacy Invest is proud to be associated with the Avalon Memoriam Investments 1 Company. We have every confidence in its commercial and financial success. Our confidence is based upon market research, needs analysis and competitor analysis, which lead us to make the assumption of its success. Any investment in the Company is based upon these same assumptions, so I urge you to carefully read the information contained in this Prospectus.

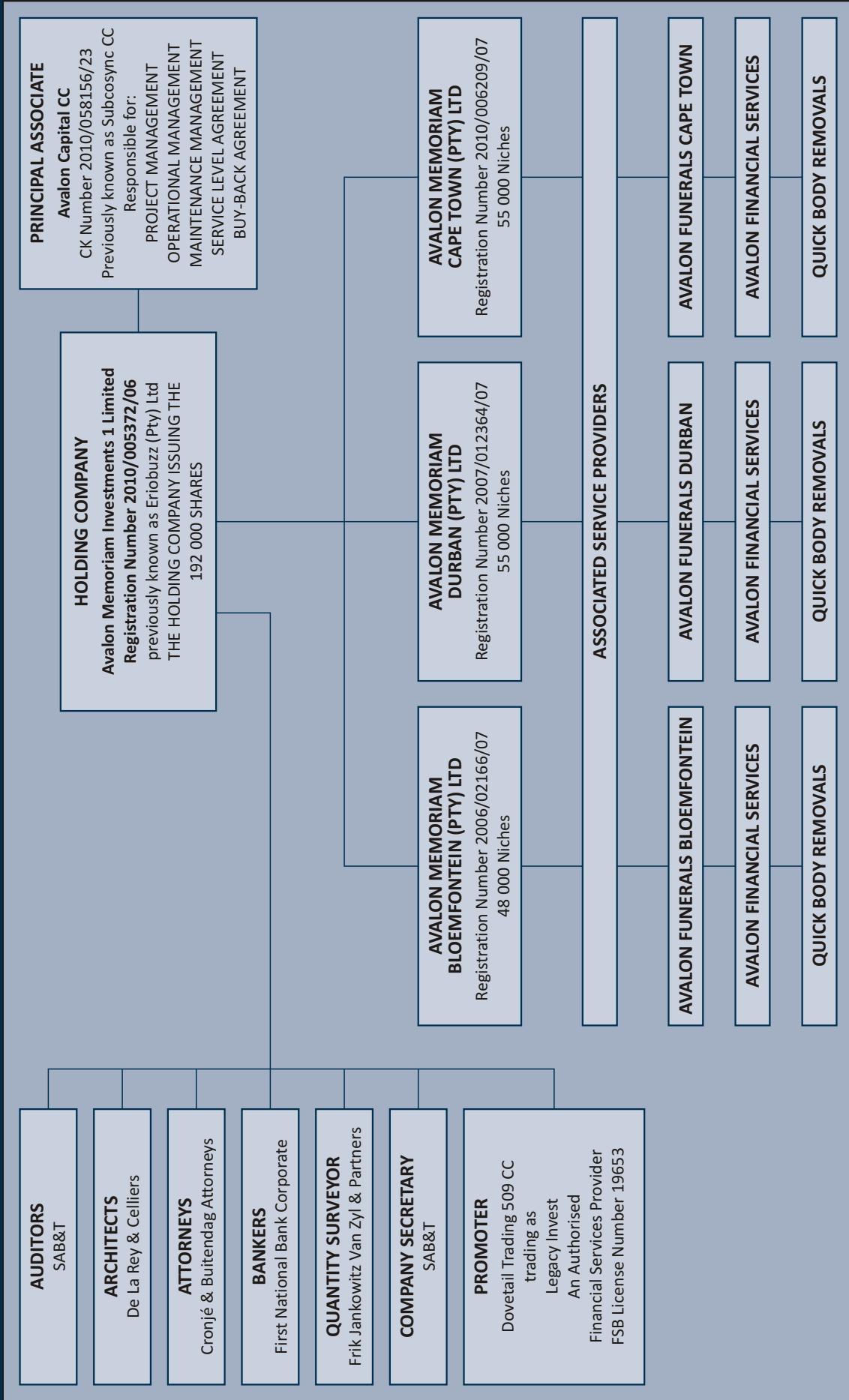
If you have any questions regarding the Avalon Group, please go the Avalon website, at www.avalongroup.co, or contact the Group Strategy and Planning Coordinator, Mr Daniel Schubert, on 051 430 0085, or dschubert@avalongroup.co. Should you have any queries regarding this prospectus, please contact our Sales Director, Mr Cobus van der Walt, on 051 430 0086.

My fellow directors and I sincerely recommend this investment opportunity to you.

Yours Truly

Herman Lombaard, Chairman








Avalon
MEMORTIAM

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MISSION STATEMENT

Legacy Invest aim to be the leading and most encompassing promoter of unlisted financial shares in PUBLIC PARTICIPATION COMPANIES which are innovative, unique and logically profitable.

Legacy Invest are committed to the promulgation of investment opportunities in PUBLIC PARTICIPATION COMPANIES which offer strong capital security with real investment return.



CODE OF ETHICS

Selective Sourcing of Investment Opportunities

At all times the process of selection of investment opportunities must adhere to the most stringent standards in terms of the following criteria:

- High level of Real Investment Return
- Profitability based on Sound, Logical Analysis
- Innovative business opportunity
- Security of Capital Investment

Continuous Involvement and Oversight in Projects

Legacy Invest is committed to our responsibility to the Investor. We shall remain integrally involved in all projects, ensuring at all times that everything necessary is being implemented, to keep the Investors capital secure and to realise Real Investment Return at the end of the term.

Strict Adherence to Accreditation Legislation

All financial advisors, brokers and marketers who become associated with any Legacy Invest product, must carry 1.8 and 1.10 accreditation with the FSB.

All broker networks that become associated with any Legacy Invest product must ensure that their members carry 1.8 and 1.10 accreditation with the FSB, before allowing them to promulgate a Legacy Invest product.

Investor Awareness

In addition to ensuring that all financial advisors promulgating our products are qualified and trained to do so, we believe that each investor must be comprehensively informed and knowledgeable regarding any investment made. We shall ensure that each investor in a Legacy Invest product is thus well informed, by proffering a full Prospectus to each investor.

Loyalty to the Investor

Legacy Invest consider it our obligation to put the best interests of the Investor before any other needs. Our Investors are the life's blood of our business and we must look after them properly for the duration of their investment, not just at the start.

Staff Training

All staff at Legacy Invest must be properly trained, in order to be knowledgeable in their respective fields, ensuring their ability to identify the best Investment Opportunities and to provide the Investor with sound advice regarding these opportunities.

2. PROJECT OVERVIEW

Our “living planet” can no longer sustain its dead.

This is true across the entire globe, and is becoming increasingly more evident in South Africa. Amidst a critical shortage of available ground for new cemeteries in our ever-expanding urban areas, matters are worsened by grave robbers, vandals, occult inspired bandits and violent criminals preying on “soft” targets.

Then there is the terrible impact of mass cemeteries upon our fragile ecology. South Africa's fast growing population, not only of the living, but also of our dead, has resulted in a crisis of pressing importance. This crisis is exacerbated by the undeniable impact that AIDS is having upon our population.

As stated in the U.N. AIDS Report of 2008,

- “...(AIDS) reduces life expectancy by more than 20 years”
- “In sub-Saharan Africa alone, nearly 12 million children (are) orphaned by AIDS”

In South Africa alone, total mortality (from all causes) increased by 87% between 1997 and 2005, with at least 40% of deaths believed to be attributable to AIDS. Even if one assumes a zero escalation in the proportional rate of mortality, the mere fact the population is constantly growing, means that the physical number of deaths is increasing year on year.

In a report to the eThekweni Metro Council, Mr. Thembinkosi Ngcobo, president of the National Institute of Environment and Recreation Management, stated that “*South Africa's big cities are running out of space for cemeteries and tough decisions will have to be made soon on whether municipalities can continue to provide public burial grounds 'as we know them today'*”. “New solutions are needed”.

To identify the true severity of the problem, consider this:

Of the 53 municipal cemeteries in the eThekweni region, 98% have reached full capacity (that is 52 of the 53 are saturated). It is estimated that more than 120 000 m² of land will be needed EVERY YEAR, to accommodate the increase in burials.

Cape Town is also in dire need, particularly in terms of ground availability and environmental concerns. The Cape Town Metropool Council is constantly seeking a viable solution.

The multitude of newspaper articles regarding the state and saturation of municipal cemeteries in Gauteng make it clear that the same holds true for Johannesburg, as well as Pretoria, where several municipal cemeteries have shut their gates in the past year, due to total and absolute saturation.

This crisis is exacerbated by the ever increasing rate of mortality, combined with the ever decreasing availability of ground burial space, and the many other negative problems associated with ground burial (as discussed above), has resulted in a dire and urgent need to re-evaluate the burial situation and to present viable and acceptable alternatives.

The fact stands that even the most tradition bound elements within the population will eventually have to consider alternative processes of burial, but it is also a fact that the most severe problems are evident in the increasingly more densely populated cities of our country, such as eThekweni, Gauteng, Cape Town and the like.

These major urban centers suffer from very little space and rampant crime. Furthermore, the populations of these large cities are increasingly more pragmatic, about everything ranging from basic lifestyle habits to tradition based practices. These big city dwellers, of all races, are the ones dealing with higher costs of land, escalating crime and a frenetic lifestyle. As a result, they are more receptive to alternatives in most aspects of life, including burials, as long as these alternatives present an improved solution and an efficient answer.

Aesthetic appeal, security and attention to maintenance, without debilitating costs, are all issues that are in growing demand by the public, yet sadly lacking in most instances. Clearly, QUALITY, AFFORDABILITY and above all, DIGNITY, are the watchwords of the day.

The Avalon Memoriam concept is by far the most innovative and comprehensive burial alternative to emerge. It is based upon the practice of cremation, but the concept goes far, far beyond that.

In addition to being the most resource and environmentally friendly burial development project yet to emerge in South Africa, epitomizing our commitment to adding value not only to the people of South Africa, but to the land itself, through offering a burial alternative that has a **99%** saving in land, some of the core values embraced by this Initiative are:

- land resource management,
- environmental control,
- community upliftment,
- beautification of the country,
- prevention of crime,
- the creation of monuments honouring our loved ones and our ancestors,
- a long term maintenance program which is self sustainable,
- and above all else, the restoration of a sense of DIGNITY to an aspect of urban life where this dignity is sorely lacking.

Some people assume automatically that there is a cultural barrier where cremation is concerned, but the truth of the matter is that many communities throughout the country are embracing this method, partly through necessity, but also through an evolution of ideas and perceptions.

Mr. Khahliso Pitso, Founder and Chief Executive of My Flow Media, put it eloquently, when he said: "I am not divorcing my African culture. Anyone who feels that they are divorcing their African culture by getting cremated should ask themselves: are we still wearing tsheya or thethana that we used to wear? Are we still staying in the dwellings that we used to stay in? No! I wear a suit and I eat with a fork and knife. I drive a car. I cannot walk everywhere, as I shall never get to my meetings! Things have transformed. I am still an African, but those are the dynamics of life at the moment. For special cultural festivities, we still do cultural things and sometimes I wish that things were still the same, but they are not."

This sentiment supports our contention that Avalon Memoriam is a viable, in fact a necessary development for the betterment of people of many of the races and creeds which make up the tapestry of urban South Africa. Simply put, our burial grounds are no longer sufficient, neither in terms of available space, nor in terms of appearance and most definitely not in terms of sustainability.

It is hugely unfortunate, but sadly true, that we have fallen into a habit of neglect and indifference where these burial grounds are concerned. What used to be deemed a sacred place has become an embarrassment, lacking all dignity.

Is this how you want to be remembered?



The Avalon Memoriam project offers a SAFE, ELEGANT AND DIGNIFIED alternative.

A picture is worth a thousand words



There is no doubt that everyone who has read this brochure up to this point is convinced that the Avalon Memoriam Project will be a huge and resounding success, but the question still remains:

WHERE IS THE INVESTMENT OPPORTUNITY WITHIN ALL OF THIS?

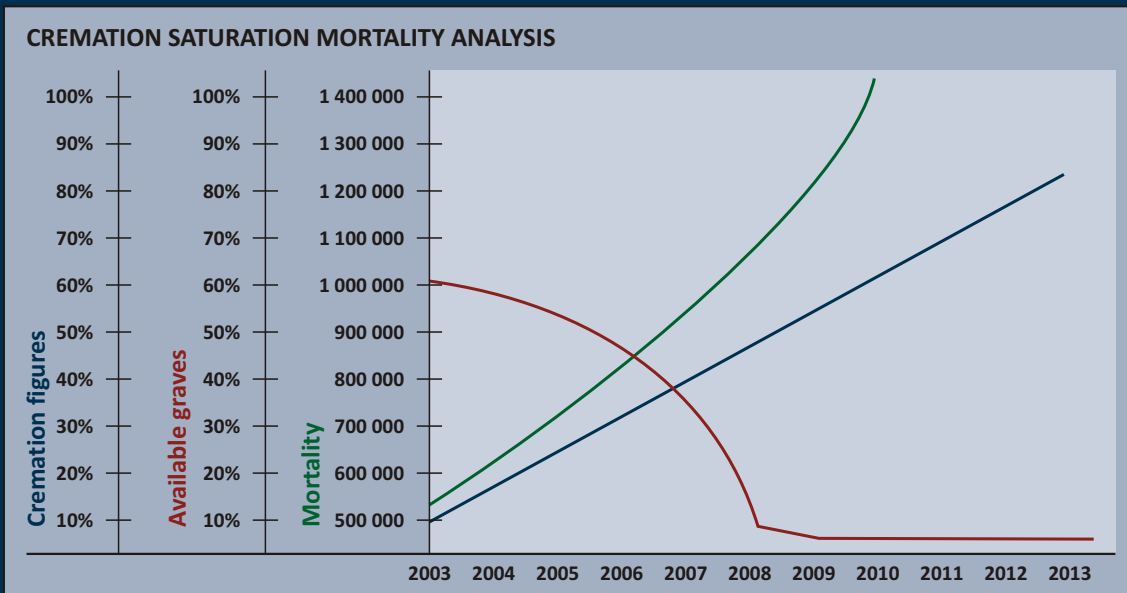
The answer is simple. Avalon Memoriam is in the Process of revolutionizing the entire burial process, restoring values which have clearly fallen along the wayside. Aside from the aesthetics which set Avalon Memoriam apart from any other burial system, are the other facets of the concept, which, together, provide a comprehensive service to the community, a service which restores the dignity so clearly missing.

Furthermore, Avalon Memoriam offers this superior service, at rates so affordable that a basic interment at one of the Memoriam will cost 20% to 30% less than a ground burial with a moderate headstone.

Another important attribute of the Avalon Memoriam is that it requires so little space, thereby enabling us to set these beautiful structures in the urban regions. This means better safety, improved accessibility and even a reduction in the cost of travelling to and fro, which is a distinct advantage, in today's economically trying times.

And finally, although Avalon Memoriam is brimming with benefits, the undeniable fact is that whether you are in favour of cremation or not, the municipal cemeteries around the country are not only unkempt, unsafe and unbearable, but also, MUNICIPAL CEMETERIES IN THE MAJOR CITIES ARE ALL NEARING SATURATION, which means that alternatives will simply HAVE to be considered.





The graph above identifies the three primary factors in the burial equation:

1. The green line indicates the rate of mortality in South Africa, based upon Mortality Rates as provided by the Statistician General.
Beyond the present, this rate of mortality is extrapolated on the basis of mortality being a constant ratio of the population. Since South Africa's population is increasing exponentially, it follows that the rate of mortality will follow suit. To ensure that our projected figures are conservative, we have disregarded any additional impact which AIDS and other chronic diseases may have upon the mortality figures.
2. The red line indicates the availability of graves. This figure is based upon current figures, together with official reports regarding saturation levels. Once more, in our striving to remain conservative, we have attributed the municipal cemetery institutions with the capacity of providing 220 000 NEW graves annually, through the introduction of new cemetery developments.
3. Finally, the blue line indicates the incidence of cremation, based upon current trends. We have retained the rate of cremation as a fixed ratio of the total mortality rate. This too is a very conservative approach, as the rate of cremation is increasing dramatically, due to the increasingly negative conditions associated with municipal cemeteries.

Even when all of the above figures are indicated at their most conservative, a study of the Rate of Mortality graph, against the Availability of Graves graph, clearly identifies a potential shortfall in burial space of more than ONE MILLION per annum, in the near future.

This seems to be an incredible statement, considering the magnitude of the problem, but it is nevertheless a factual one. The saturation of cemeteries in South Africa is at an extremely critical point, due to the exponential increase in population, which in turn leads to an exponential increase in mortality. In the Minutes taken at the National Cemeteries and Crematoria Workshop held by the eThekweni Municipality, 03 & 04 / 09 / 2007, the president of the IERM, Mr Tembinkosi Ngcobo, stated that the number of burials have increased from **90 to 1000 per weekend**, over the past few years, in eThekweni alone!

In addition to this, according to a report prepared for the KwaZulu Natal Town and Regional Planning Commission - (Spatial Planning, Land Development and Land Use Management in a context of HIV and Aids) – Aids related deaths could peak at 600 per 10 000 people by 2010.

This represents a 500% increase in grave requirements over the next few years

A 500% increase in grave requirements, in an environment where cemeteries are reaching saturation and little to no provision has been made for new cemetery development. To compound this, in South Africa, only 20% of the land is suitable for agriculture and now this relatively small amount of land also needs to compete with more and more land required for burial purposes.

Finally, space is not the only issue. Escalating mortality rates bring national cemeteries into competition with other municipal services for money. Considering the cemeteries are a sub-department of Parks & Cemeteries, which itself is a sub-department of Tourism, this is a contest that cemeteries cannot win. The result is an ever increasing downward spiral, which presents a distinct and crucial need across the whole of South Africa.

AND THAT IS WHERE THE OPPORTUNITY LIES!

A project which can provide a crucial service, on a national level, within a sound commercial framework, is a powerful commercial tool indeed.

The concept is supremely elegant in its fundamental simplicity. The Memoriam, or Crematory Monument, provides the visual substance of the operation. But, like all burial grounds, this element alone offers limited commercial returns, due to limited exposure to the general public.

This, however, is resolved by the inclusion of Avalon Funerals into the model. Being a cutting edge funeral undertaker, with international accreditations and a strict code of ethics, means that Avalon Funerals is positioned to be a service provider with immediate “front line” visibility. Avalon Funerals has direct and constant interaction with the communities that are served by the Memoriam. In this way, the marketability of the Memoriam is enhanced through the services of the Funerals operation, thus creating a constant income stream.

But even this symbiosis, in itself, would not suffice to generate the magnificent returns which we are proud to present to you. These returns are achieved by the inclusion of a third element.

Avalon Financial Services has launched a new form of funeral insurance, which is as innovative in its financial design as the Memoriam is in its architecture. The Avalon Funerals Group Scheme, underwritten by a major insurance house, is also an industry first. It is still a Funeral Insurance Cover, but it is modeled upon the same principles as a Life Insurance package, thereby taking the Funeral Insurance market to a new level, catering to 21st century life and to modern expectations of quality, service and value. This brings another, massive sector to the equation, by providing a necessary service in the form of insurance against the ruinous costs of a burial.

It is the combination of these three aspects, the Avalon Memoriam Monument, the Avalon Funerals operation and the Avalon Funerals Group Scheme, which form the three income pillars of the Project, resulting in an overall **return of 220% on investment**, simply due to the provision of necessary services, at affordable rates, with DIGNITY, all underpinned by the undeniable lack of alternatives.

In fact the project has such a healthy financial forecast, that we have committed ourselves, via an agreement with Avalon Capital Corporation, to ensure the management and sustainability of the many Memoriam we intend to develop around South Africa, for several decades, at no additional cost to the public.

As will be explained more fully in the following chapters, the Business Plan and the Financial Overview, the

Project for this Offer, Avalon Memoriam Investments 1 Limited, will encompass Bloemfontein, Durban and Cape Town – the reasons for these cities making up the Project will also be explained in later chapters. However, that is merely the first Project. Overall, we intend to place no less than 10 additional Memoriam in all the major cities in South Africa, over the next several years. This will entrench Avalon as a strong national brand, with all the benefits that such brand awareness brings.

Finally, should there be any uncertainty left at all, you can rest assured that both your Capital, as well as the 220% Return on Investment that we are offering you, are absolutely secure. In fact, both your Capital, AS WELL AS YOUR GROWTH, ARE GUARANTEED.

In recent times, there have been some investment offers where returns are “projected” and profits are “anticipated”, which all leave the investor merely hoping for the best. In fact, our Chairman has often said of such investments that:

“Any returns to the investor from such projects are merely a happy coincidence”

At Legacy Invest, our projects are scrutinized to ensure that this is NEVER the case in any product which we offer to the public.

This is why your investment in this Project is secured by THREE separate structures. Firstly, each R15 000.00 investment is immediately coupled to a Basic Funeral Plan, through Avalon Funerals. This is a service based product with immediate value. Secondly, there is the Guaranteed Buy-Back Agreement, whereby, should the project for any reason not achieve the success we anticipate, then Avalon Capital Corporation, the national developer of this project, guarantees to buy back your shares in Avalon Memoriam Investments 1 Limited, without reservation after 72 months, for not less than the 220% real investment return which you shall receive through the normal course of events. Since Avalon Capital Corporation hold the development rights and intend to develop Avalon Memoriam around the country, their buy-back guarantee has clear and evident substance. Thirdly, an integral component of the business model is the Group Scheme Funeral Insurance. Each Funeral Policy which is taken up carries an inherent financial value. This value, accumulated over a substantial number of policies, adds even more financial substance to the Company.

So now there are 3 certainties in life:

There is death and there are taxes, certainly, but also, there is our GUARANTEE that you will receive your promised return – for certain!

In addition to this certainty of 220% Return On Investment at the end of the 72 month term, it is important to consider the tax implications of the investment. Unlike interest based investment models, where all capital growth is taxable, your investment in Avalon Memoriam Investments 1 Limited is structured to be as tax friendly as possible. Since the source of your Return On Investment is actually a sale of shares (Through The Buy-Back Agreement), the capital growth is considered to be Capital Gain.

Your investment in Avalon Memoriam Investments 1 Limited is structured to be as tax friendly as possible. Since your Return On Investment is derived from a sale of shares (through the Buy-Back Agreement), your capital growth is considered to be Capital Gain, which results in a taxability of around 8% (as per the tables on page 16).*

* *These values will differ from person to person. If you are unsure of your personal taxability, please consult a professional tax consultant.*

As Capital Gain, your growth is subject to taxation in the following manner:

1. The first calculation is: What is your Annual Exclusion allowance:

For each year of assessment, an annual amount, known as the “annual exclusion” of the sum of your capital gains and losses is EXCLUDED for CGT purposes. The table below summarizes the annual exclusion, applicable in various years of assessment:

CAPITAL GAINS TAX EXCLUSION TABLES		
YEAR OF ASSESSMENT	EXCLUSION	EXCLUSION IN YEAR OF DEATH
2010	R17 500	R120 000
2009	R16 000	R120 000
2008	R15 000	R120 000
2007	R12 500	R100 000
2006	R10 000	R 50 000

Source: The ABC of CGT for individuals; South African Revenue Services

Note: The annual exclusion increases in the year in which a person dies. If the sum of capital gains and losses results in a net loss, that loss must also be reduced by the annual exclusion.

2. The second calculation is: What portion of a capital gain is subject to tax:

A person's taxable capital gain for a year of assessment is as follows:

- a) In the case of an individual or a special trust, 25% of the net capital gain for the year of assessment.
- b) In the case of a company, close corporation or a trust, 50% of the net capital gain for the year of assessment.

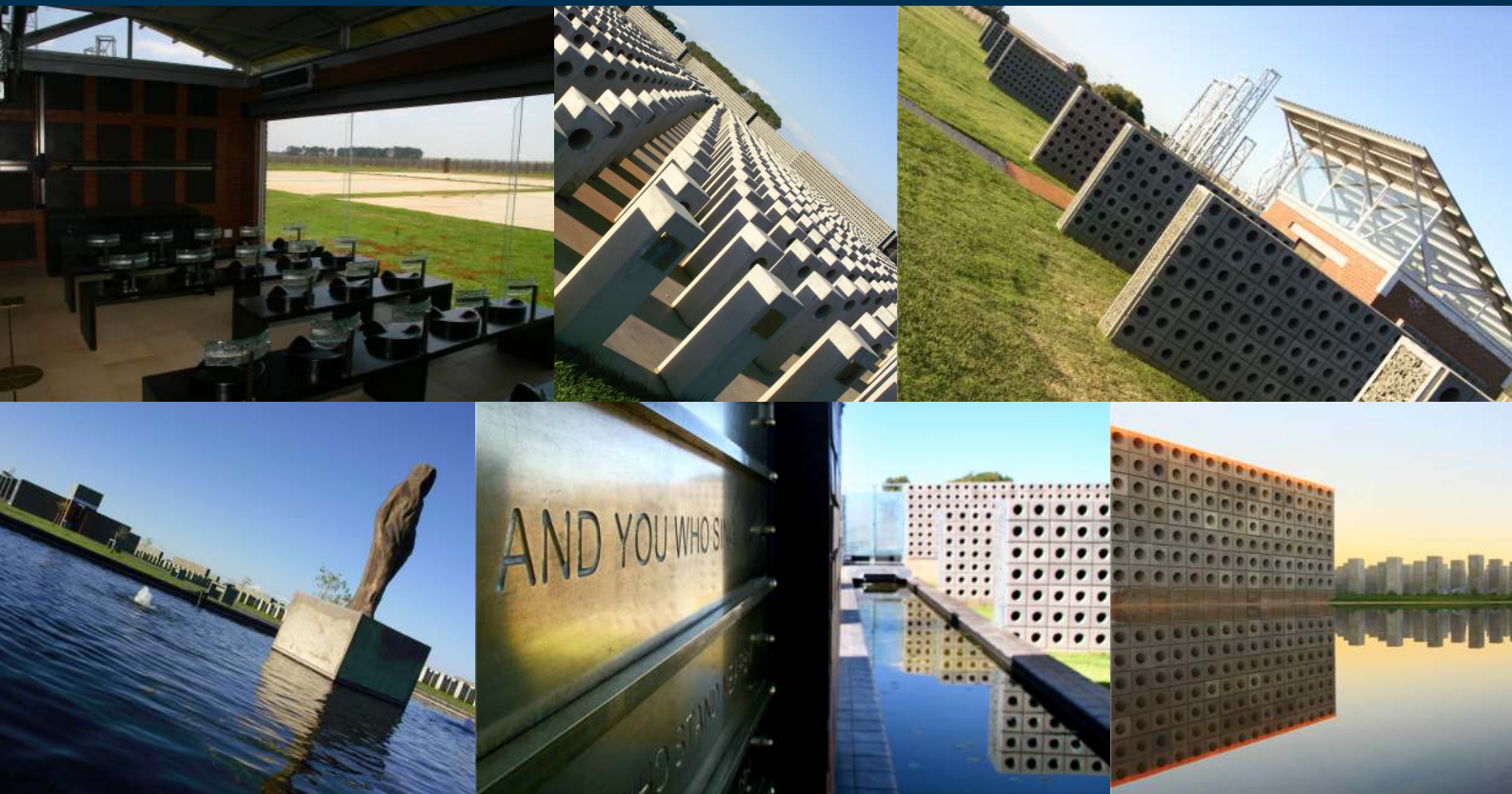
EXAMPLE OF CAPITAL GAINS TAX		
An individual acquires shares for investment purposes during 2010 for R100 000.00, and disposes of all of them during the 2011 year of assessment for R220 000.00.		
Disposal	Sale of shares	
Exclusion	Not applicable, shares disposed of are not specifically exempt	
Capital Gain	Proceeds	R 220 000.00
	Less: Base cost	(R 100 000.00)
	Capital Gain	<u>R120 000.00</u>
Annual exclusion	Less: Annual exclusion	(R17 500.00)
The exclusion of R17 500.00 is applicable to a natural person		
Net capital gain		<u>R102 500.00</u>
Inclusion rate = 25%		
TAXABLE CAPITAL GAIN	=	25% x R102 500.00
	=	R 25 625.00

Source: The ABC of CGT for individuals; South African Revenue Services

- The taxable capital gain of R25 625.00 must be included in taxable income.
- The marginal rate of taxation is then applied, which varies from individual to individual.
- Assuming a marginal taxation rate of 25%, the **actual** income tax on the R120 000.00 capital growth would then be R6 406.25.
- Assuming a marginal taxation rate of 40%, the **actual** income tax on the R120 000.00 capital growth would then be R10 250.00.

Even in the case of the highest marginal taxation rate bracket, the nett tax payable on the R120 000.00 capital gain, (being a R220 000.00 Return On Investment from a R100 000.00 initial investment), is only 8.54%.

The above calculations are based upon current South African Revenue Service regulations. Legacy Invest cannot be held accountable for any future changes to the legislature which may affect these calculations.



3. BUSINESS PLAN

As mentioned in the Project Overview, the final goal for the whole project is a National network of 10 or more Avalon Memoriam around the country, with the necessary support structures –Avalon Funerals, Avalon Financial Services, QBR - also present in each city. Once this occurs, the collective presence and service delivery of the Avalon brand will increase exponentially, ensuring not only the long term success of the overall group, but also ensuring the Return On Investment success of each Avalon Memoriam Investment collective.

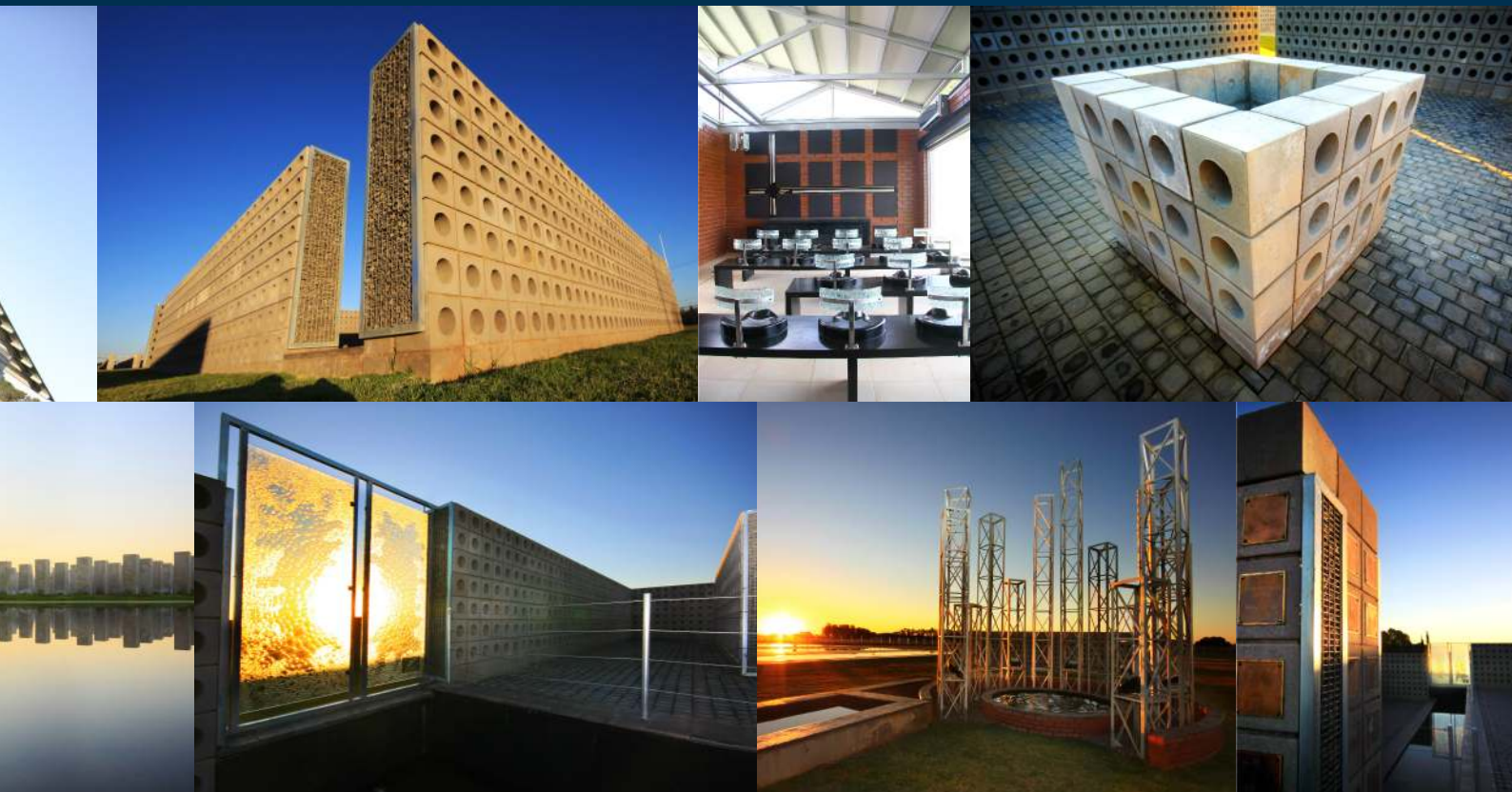
The first part of this National network is the collaborated development of a network of Avalon Memoriam in Durban, Cape Town and Bloemfontein. This project is the first of its kind, providing a safe, secure and aesthetically pleasing Memoriam, in an urban environment. This is the goal of Avalon Memoriam Investments 1 Limited.

Subsequent Avalon Memoriam Investments coalitions will follow, to ensure this unique project is firmly entrenched throughout the country.

As will be explained in detail in the Financial Overview in the following chapter, the total capital requirement for Avalon Memoriam Investments 1 Limited, is R192 000 000.00. This capital will be utilized in the following manner:

1. To acquire Avalon Memoriam Bloemfontein, which is essential to the project as the Avalon Bloemfontein operation, with its support mechanisms, is an established and functional “Going Concern”, thereby giving us instant operational readiness.

As can be seen from the pictures below, the Bloemfontein Avalon Memoriam is a magnificent development, imbued with tranquility and dignity.



A legacy of wealth

2. To develop the new URBAN DESIGN Avalon Memoriam in Durban. This is the improved design conceived by our architects, based upon the same fundamental concepts, but with an even greater sense that the Memoriam is a sacred place with a powerful element of spirituality – a veritable Monument honouring our ancestors.



3. To develop a similar URBAN DESIGN Avalon Memoriam in Cape Town.



With the completion of the development in Durban and Cape Town, the Avalon Memoriam Investments 1 Company shall complete its development objectives and will be in a position to capitalize on a network encompassing three Provincial Areas. At this point, the process of generating the excellent Returns on Investment that we have promised will be in full swing.

It is a well recognized concept, that in order to have a viable business, several factors are required;
there must be a demand;
you must have a viable product;
at an affordable price;
with a proper sales mechanism.

As to demand, the untenable situation plaguing municipal cemeteries is an undeniable fact. Municipal cemeteries are faced with many challenges. To name but a few:

- Unavailability of graves.
This is the principal issue, in that once the existing municipal cemeteries have reached saturation, what then?

This is a very serious question, considering that most municipal cemeteries in the larger cities (and many of the cemeteries in other towns as well), are very nearly saturated and alternatives are in short supply at this juncture.

- Legislative restrictions on new cemetery developments.
In order to ensure that any prospective cemetery developments do not pose a health and environmental hazard, due to the toxic nature of necrotic decomposition, South African law demands a FIVE YEAR Environmental Impact Assessment to be undertaken on any new ground earmarked for cemetery use. This is an excellent law in terms of Public Health, but bodes ill in terms of timing, as the projected cemetery saturation point will certainly be reached before the culmination of the next five years.

It is also pertinent to mention that the Avalon Memoriam development is not bound by these restrictions, due to there being no environmental hazard involved.

- Lack of Infrastructure.
It is not fair to generalize and we recognize that some municipalities have made concerted efforts, but it is evident in most municipal cemeteries, that infrastructure is sorely lacking. This stems in part from a general mindset of apathy and in part from the evident lack of funding available for cemetery maintenance. The result is that municipal cemeteries are predominantly unkempt, with cursory security provisions (if any), and also a very poor state of data retrieval – as anyone trying to locate the grave of a deceased relative will attest. This is all compounded by overcrowding and very little in the way of a sustainable maintenance program.
- High propensity for Crime.
Due to the isolated nature of cemeteries, with their relatively low volume of traffic, they are ideal stalking grounds for social predators – this too is evidenced by the ever increasing reports of all types of criminal activities at cemeteries, ranging from petty theft, to murder. Due to the fact that an Avalon Memoriam can be built on 2 000 m² of ground in an urban location, all of these safety factors are uncompromisingly erased.

- Being coastal cities, both Durban and Cape Town suffer from a severe lack of availability of land, as their available land area is reduced by half, due to their topography. This ensures that a development which reduces the land requirement by 99% will enjoy favour and support, both from the communities, as well as the local municipal bodies.
- Furthermore, Durban is the ideal candidate for the next Avalon Memoriam development due to the extreme shortage of graves in that region. The city of Durban has 22 cemeteries. Of these 22 cemeteries, only 2 have any available plots left.
- The rate of informal burials in the region is reaching catastrophic proportions. In an interview with Liz Clark for the Daily News, a spokesperson for the Department of Home Affairs stated that of an estimated 2000 recorded deaths per month in the Umgungundlovu region, there are only 400 official burials, leaving more than 1500 bodies unaccounted for, EVERY MONTH. In most cases, the deceased is informally buried near homesteads, with no regard for water contamination.
- Though the crisis is not as severe in Cape Town, there is no doubt that a serious problem prevails. Cape Town also has one of the highest rates of cremation in the country, which supports that they be one of the first cities to enjoy the benefits of the Avalon Memoriam concept.

These are just the most evident issues, but the grim picture described above is undeniably sufficient to indicate that there is a clear and evident demand for the Avalon Memoriam development.

As to **product viability**, the aesthetic appeal of the Memoriam, the dignity and tranquility evident at the Memoriam, not to mention the sense of security, as well as the restoration of a sense of respect for our loved ones and our ancestors, which the Memoriam brings, are all primary factors supporting the viability of the product. When combined with the added benefits of state of the art data retrieval systems, world class infrastructure and a sustainable maintenance program for several decades into the future, the question of viability is favorably answered.

In addition to the above, rather obvious benefits, there are numerous others. For instance, the fact that the new Memoriam design only requires a 2 000 m² parcel of land, as well as the zero environmental impact rating, means that the Memoriam can be developed in urban locations. With its magnificent external appearance, any neighborhood will be enhanced by such a structure, not to mention that this ability to locate in an urban sector means a substantial improvement in safety and ease of access, which brings a cost saving benefit.

The added benefits of private security and access control, for absolute peace of mind, also add value to the product.

As to **affordability**, the cost of a niche at any Avalon Memoriam is significantly less than that of a moderate headstone, not to mention the many other costs attached to a ground burial. In fact, the overall cost of a basic interment at an Avalon Memoriam is between 20% to 30% less than a comparable ground burial with a moderate headstone.

Furthermore, the costs of maintaining the Memoriam are built into the operating overhead budget, so the individual does not have this burden, unlike at a municipal cemetery, where the ongoing costs of maintaining the gravesite are substantial, constant and eternal.

When all the relevant factors are taken into consideration, Avalon offers an exceptionally affordable option, further enhanced by the many additional benefits included in the packages.

As to a proper **sales mechanism**, there are several contributing factors.

Firstly, the combined resources of the Avalon Memoriam Investments 1 Company make provision for a substantial R10 000 000.00 (Ten Million Rand) advertising budget for the six year period, which will ensure that the Avalon range of products is embossed upon the public's awareness.

Secondly, the Avalon Group Scheme Funeral Plan is a brilliant and innovative product in its own right, which is further enhanced by the fact that it is underwritten by a Major Insurance House. An Insurance House of this stature would not be associated with any endeavour lacking in substance.

Thirdly, the integration of an Avalon Funerals branch working in unison with each Memoriam ensures that the public have access to the Memoriam via a world class, internationally accredited undertaking operation. This is further enhanced by the fully comprehensive Funeral Packages offered, once more ensuring consistent Niche sales.

In closing, a less visible but integral and critical component of the business model is the Maintenance Program. Under the auspices of Avalon Capital Corporation, each Memoriam will be supported by a Maintenance Fund, structured to ensure the sustainability of the maintenance program for several decades. In this way, even after the commercial elements of the Company have been met, the true legacy of Avalon Memoriam will remain.

It is also important to note that should the Bloemfontein, Durban and Cape Town Avalon Memoriam developments realize ONLY 74% of their projected sales for the period, this will be sufficient to meet the 220% Real Investment Return which we are offering to our investors.

But, to show our confidence in this project, and to ensure minimum risk for the Investor, Legacy Investments have added a **GUARANTEE** of RETURN to our Investors.

We have implemented a **Guaranteed Buy-back Agreement**, whereby Avalon Capital Corporation guarantees to buy back your shares, for no less than the 220% Return On Investment, (based upon the 20% annual simple interest), at the end of the 6 year period.



4. FINANCIAL OVERVIEW

The type of Investment being offered is a GROWTH PLAN INVESTMENT.

The TERM of the Investment is SIX YEARS.

The Capital Growth of the Investment is 20% simple growth per annum, capitalised at the end of the 72 month term, resulting in a Real Investment Return of 220% (Two Hundred and Twenty Percent).

This Real Investment Return is supported by the Buy-back Agreement, which ensures that, should the returns not be realised by the Company for some reason, then Avalon Capital Corporation will buy the shares, 72 months after the date of first sale to the investor, for 220% of their initial purchase value – thereby ensuring that the investor receives their full Capital, as well as their full Capital Growth, at the end of the 72 months.

The total amount to be collected to successfully complete the entire Project is R192 000 000.00, by way of six prospectus' of R32 000 000.00. The resulting capital shall be utilised as follows:

- the acquisition of the Going Concern in the form of the Bloemfontein Avalon Memoriam, with a total of 48 000 available niches;
- the purchase of the two additional Immovable Properties, to house the Durban Avalon Memoriam and the Cape Town Avalon Memoriam respectively;
- the development of a new Avalon Memoriam complex in Durban, to accommodate 55 000 niches;
- the development of a new Avalon Memoriam complex in Cape Town, to accommodate 55 000 niches;
- the initiation of the Maintenance Program for the entire Project comprising of Bloemfontein, Cape Town and Durban.
- the establishment of all the Strategic Affiliate structures to successfully market the niches in all three areas.
- all commissions, fees and expenses.

The project comprises of the outright purchase of the Bloemfontein Memoriam, situated in Bainsvlei, Bloemfontein, which is a Going Concern offering 48 000 niches, as well as the development of a further Memoriam in Durban and another Memoriam in Cape Town, each of which will provide 55 000 niches, thus totaling 158 000 niches once the whole Project is completed.

The minimum projected Purchase Price of each interment niche, at the lowest, most conservative level, is R3 600.00 (Three Thousand Six Hundred Rand). As the completed project will provide a total of 158 000 niches, the Sales Revenue of the completed Memoriam Syndication is projected at R568 800 000 (Five Hundred and Sixty Eight Million Eight Hundred Thousand Rand). The Project will be completed over a two year period, with a further four years allocated to sell the niches.

The following spreadsheet indicates the Rates of Sale, as well as the Return Projections, for the combined Bloemfontein, Durban and Cape Town Memoriam, over the 6 year term.

BLOEMFONTEIN, DURBAN AND CAPE TOWN COMBINED SALES PROJECTIONS - 6 YEARS							Total number of niches: 158 000	
YEAR	MONTHLY SALES	QUANTITY	VALUE	MONTHLY REVENUE	ANNUAL REVENUE	ACCUMULATED REVENUE	NICHES SOLD	TOTAL
2011 Q3 & Q4	Acquisition, development and construction phase	Nil	Nil	Nil	Nil			
2012	Durban Memoriam on-line Cash sales Installment sales Funeral package sales Policy sales	550	R 3 600	R 1 980 000	R 11 880 000	R 11 880 000	3 300	3 300
2013	Cash sales Installment sales Funeral package sales Policy sales	750	R 3 600	R 2 700 000	R 32 400 000	R 44 280 000	9 000	12 300
2014	Cape Town Memoriam on-line Cash sales Installment sales Funeral package sales Policy sales	1 550	R 3 600	R 5 580 000	R 66 960 000	R 111 240 000	18 600	30 900
2015	Cash sales Installment sales Funeral package sales Policy sales	2 550	R 3 600	R 9 180 000	R 110 160 000	R 221 400 000	30 600	61 500
2016	Cash sales Installment sales Funeral package sales Policy sales	3 750	R 3 600	R 13 500 000	R 162 000 000	R 383 400 000	45 000	106 500
2017	Cash sales Installment sales Funeral package sales Policy sales	5 250	R 3 600	R 18 900 000	R 185 409 000	R 568 809 000	51 503	158 003
				All niches sold/reserved by September 2016				

As the Return on Investment that we are offering is a fixed simple interest rate of 20% per annum, over a SIX YEAR term; (the twelve month development period, as well as the five year operational period required for selling the niches), the overall Return on Investment is 220%.

Based upon the R192 000 000.00 (One Hundred and Ninety Million Rand) required to capitalise the Project, this results in a minimum return requirement of R422 400 000.00 (Four Hundred and Twenty Two Million four Hundred Thousand Rand). Since the minimum Niche Sales Revenue is projected at more than R568 000 000.00, the Return Requirement is well within the Project Revenue Parameters.

In simple terms, the Projected Revenue over the six year period exceeds the Capital Required for full return at the 220% rate offered, by more than R145 000 000.00.

To put it another way, should the Avalon Memoriam Investments 1 Company achieve only 74% of the actual returns projected, this will be sufficient to meet all investment demands, **with full capital growth**.

It is due to this very positive ratio of returns projected versus capital required, that Legacy Invest believe this to be an exceptional investment opportunity. Furthermore, we have used the projected margins resulting from this positive revenue, to underwrite a Buy-back Guarantee from Avalon Capital Corporation. In this way, although Avalon Capital Corporation will enjoy some benefit from eventual returns, they are compensating for this by putting up their Buy-back Guarantee, which reduces the risk to the Investor even further.

You will have read about the Guaranteed Buy-back in the 'Business Plan' chapter as well, but from a more business oriented perspective. From a financial perspective, the Guaranteed Buy-back is even more clear and evident. We have offset some of the potential profit in order to leverage a Buy-back Guarantee. Although there is some cost impact upon the eventual returns of the Project, we have a Guarantee that greatly reduces any risk to our Investors in exchange – a sacrifice well worth making.

It is imperative for any prospective investor to understand that, although the Avalon Memoriam Project is based upon sound principles and despite that the Return on Investment is supported by the Guaranteed Buy-back Agreement, which erases most of the risk, this remains a venture capital investment, focused on the discerning investor with reserve capital, whose risk profile supports a 6 year based growth investment with exceptional returns potential.

However, it should be noted that with the inclusion of the Value Guarantee, in the form of the linked Funeral Plan, you, the investor, have an issue with an immediate realizable worth. Should you elect to do so, you can make use of this Funeral Plan within your own family, should the need arise, or you could even sell the Funeral Plan to a third party. Although electing to do so would nullify your investment, it does mean that you need not wait out the full term of the investment, should you desire to exit sooner.

Legacy Invest consider this to be a sound investment opportunity, specifically for the discerning investor. We also believe that such an investor should have full insight into both the distribution of the capital, as well as the foundation of the Capital Return.

As identified elsewhere in this Prospectus, the Avalon Memoriam Investments 1 Company shall raise a total of R192 000 000.00 (One Hundred and Ninety Two Million Rand).

R35 000 000.00 (Thirty Five Million Rand) will be utilised to acquire and evolve the Bloemfontein Avalon Memoriam, which is a fully functional Going Concern. With the acquisition of the Bloemfontein Avalon Memoriam, including the operational infrastructure, the Avalon Memoriam Investments 1 Company is immediately established as a Going Concern, with the first component of the Business Plan secured. The Bloemfontein Memoriam has an inherent niche value in excess of R170 000 000.00 (One Hundred and Seventy Million Rand).

In addition to being a functioning facility with a 48 000 niche capacity, the Bloemfontein Memoriam is built on a 4.8 hectare portion of land, with sufficient land still available to extend the Memoriam with a further 110 000 niches in due time, making this an excellent acquisition in its own right.

The next step will be the development and construction of the Durban and Cape Town Memoriam. Considering that we have improved and refined the design, as discussed in the previous chapter, to ensure maximum aesthetic appeal, maximum efficiency and maximum utilization of land and space, at minimum cost, the expenditure of the Durban Memoriam is as follows:

• Acquisition of Development, IP and Trading Rights for Durban	R 20 000 000.00
• Development and Construction of Durban Memoriam	R 35 000 000.00
• Start-up, Operational and Marketing Expenses	R 6 500 000.00
Total Cost	<u>R 61 500 000.00</u>

The Durban Avalon Memoriam will have an inherent niche value in excess of R195 000 000.00 (One Hundred and Ninety Five Million Rand).

The expenditure for the Cape Town Memoriam is based upon the same basic cost model as Durban, with a provision for 20% escalation on the Development and Construction cost, as this component of the Business Plan will be developed 6 to 9 months after the Durban project.

Thus, the Total Cost of the Cape Town Avalon Memoriam is **R68 500 000.00**.

The Cape Town Avalon Memoriam will have an inherent niche value in excess of R195 000 000.00 (One Hundred and Ninety Five Million Rand).

The Nett Capital Requirement for Asset Acquisition and Development, as well as Operational Expenses for the 6 year period of the investment, is R165 000 000.00. (One Hundred and Sixty Five Million Rand). The balance of the Investment Capital will be utilised for broker's fees, consultant's commissions, agents' commissions, legal fees and related professional costs.

The Investment Capital is secured by the inherent niche value of **R568 800 000.00**, based upon a conservative projected Return Revenue of R3 600.00 per niche, on 158 000 niches.

As explained previously, Avalon Memoriam Investments 1 Company need realise only 74% of the projected return, in order to meet all Investment Return obligations. In addition to this, the Guaranteed Buy-back Agreement ensures that the risk does not lie with the Investors, but with the Developers and the Management Company, Avalon Capital.

The Monthly Niche Sales Projections reflected in the spreadsheet on page 24 are presented in a condensed format, showing the collective sales and return projections. These projections are based upon a highly detailed projection analysis of each individual development. In this detailed projection analysis, the monthly niche sales projections are broken down further, across the three-tiered sales mechanism as explained in Chapter 3, comprising of:

- i. Direct (immediate) niche sales
- ii. Niche sales connected to Funeral Packages
- iii. Niche sales connected to the Funeral Insurance Group Scheme

Remember that each Funeral Insurance Policy is a viable financial instrument in its own right, thereby qualifying a policy based niche reservation as income.

As evidenced by the Monthly Niche Sales Projections spreadsheet, the total quota of niche sales is expected to be reached during the 3rd quarter of Year 6. Should this be the case, then the Return On Investment will be considered due and payable to the Investor at that point.

However, should the quota not be achieved, then the delay will NOT be carried over to the Investor, as the Guaranteed Buy-back Agreement will then come into effect. In this way, Legacy Invest have ensured that our Investors best interests are protected at all times, enjoying all of the benefits of a successful project, without any of the pitfalls.

Once all the niches are sold or reserved, and the Return On Investment of 220% has been met, Avalon Capital Holdings will receive a portion of the subsequent proceeds in return for the Buy-back Guarantee. The remaining proceeds will be utilized to fund the ongoing Management of the three Memoriam, as well as to set up the Maintenance Program that is referred to by our Chairman in his Letter of Introduction, to ensure the sustainability of the Project for several decades to come, at no additional cost to the public.

In this manner, the Avalon Memoriam Project will be able to live up to our requirements, that all projects undertaken by Legacy Investments, must realize a Legacy of Wealth for our Investors, but should also be a Legacy for future generations, by way of a development which adds value to our land.

5. QUESTIONS AND ANSWERS

Administration Process

01. *How long does it take before I receive a share certificate?*

Approximately one month after subscription of the Prospectus. However, Shares and certificate numbers, are, in fact, reserved, so your investment will reflect on the Shareholders Register of the Company, within four weeks of the investment. Your money is kept in a Trust Account with the Attorneys, until the Auditors confirm your investment and ascribe the appropriate Share Certificate number.

02. *How long does my money stay in the Attorneys Trust Account?*

Your money will remain in the Attorneys Trust Account until such time as the Prospectus is subscribed and the auditors have confirmed that your investment is on record.

03. *Why does Legacy Invest's name not appear on the application form?*

Legacy Invest is only the promoter. The investment agreement is between the buyer (Investor) and the seller (Avalon Memoriam Investments 1 Limited), of the Company shares.

04. *How old is Legacy Invest?*

Legacy Invest was established in 2010. However, Legacy Invest is a Division of Dovetail Trading 509 CC, an Authorised Financial Services Provider, accredited by the Financial Services Board, licensed under FSB Number 19653, which has been in operation since 2003.

05. *Can Legacy not disappear with my money?*

No – Legacy Invest is merely the promoter. They do not handle the investor's money. The capital is kept in trust with CRONJÉ & BUITENDAG ATTORNEYS until the transfer of the shares into your name. Only then is the money released and can be utilized.

06. *Who is the actual recipient of my money?*

The Principal Recipient of your money, after commissions, is Avalon Memoriam Investments 1 Limited, the company whose shares you are acquiring.

07. *Can Avalon Memoriam Investments 1 Limited not disappear with my money?*

No, they cannot. Once the money is released by the Attorneys, it can only be utilized by Avalon Memoriam Investments 1 Limited for the transactions identified in the Business Plan, as outlined in the prospectus. Furthermore, before Avalon Memoriam Investments 1 Limited receives the money from the Attorneys, your Share Certificates will be processed by the Auditors, which will make you a Shareholder of the Company.

08. *Why are you more successful than syndicates?*

We only invest in specific, handpicked, prime investment opportunities. The impact studies that we have undertaken, are of such a nature that we can be assured that the investors will receive maximum growth with minimal risk. Our projects are selected to provide as much freedom from external economic factors as possible.

09. *Does Avalon Memoriam Investments 1 Limited have a website and an e-mail address?*

Yes.

- For internet information on the Avalon Group, go to the website at www.avalongroup.co
 - For technical information regarding the investment, send your enquiry to admin@legacyinv.co.za
- Or you can go to the Legacy website for all our contact information on www.legacyinvest.co

Taxation

10. *How does income tax on my investment work?*

As this is a growth investment and your returns are capital growth resulting from a Sale Of Shares, Capital Gains taxation tables are applicable.

11. *How does capital gains tax on my investment work?*

Take note that the first R17 500.00 of Capital Gain for the year is exempt from CGT.

The balance of the Capital Growth (after deducting the exempt amount) gets multiplied by 25%. This means that only one quarter of the total amount is subject to tax.

Let's assume you buy shares in the Company worth R100 000 and you later sell these shares for R220 000. This would mean that you made a profit of R120 000. The first R17 500 is exempted, which leaves you with a taxable component of R102 500, of which only 25% is taxable, i.e. R25 625.

12. *At what rate is my Capital Gain taxed?*

It's quite simple. You add the taxable component of your capital gain (R25 625 in the example above), to your annual income, which is then taxed at the marginal rate applicable to your income bracket.

In effect, this means that on a R120 000.00 Capital Gain, if you are in the highest marginal tax bracket, you would pay CGT of R10 250.00 [R120 000.00 – R17 500.00], [x 25%], [x 40%].

R10 250.00 tax on R120 000.00 Capital Gain, equates to a tax rate of 8.54%.

Please take note that the above example is based upon an individual. Trusts and other entities are effected differently. Please consult with your Tax Consultant in this regard.

Shares

13. *What is the difference between these shares and those listed on the JSE?*

On the JSE you purchase shares in a specific company from which you derive dividends and capital growth. However, these returns are of undetermined values, over an open ended term, based upon many factors, ranging from the success or failure of the company in which you purchased shares, to the decisions made by the Directors regarding dividend contributions and even basic financial factors such as recession.

In the case of Avalon Investments 1 Limited, you purchase shares in the Company, at a GUARANTEED fixed return of 20% simple interest per year, over a FIXED period of 72 months. This means that you can forecast your earnings accurately, knowing exactly how much you will be earning (220%), exactly over what period of time (72 months). At the end of the term, your shares are bought back by the Company or its nominee and your proceeds are then paid over to you.

Avalon Investments 1 Limited is indeed a PUBLIC company, but the shares are unlisted. This means that they cannot be traded on the JSE. Any shareholder in an unlisted company cannot sell their shares directly on a Stock Exchange, but must either sell the shares directly to another interested party, or take on the services of a Financial Advisor or Broker, to assist in sourcing a buyer.

14. *Is this investment linked to a specific term?*

Yes. Although you may elect to trade the shares (or the Funeral Plan which you receive as an Investment Guarantee), after 12 months, this will be at your own discretion. To realize the 220% Guaranteed Return On Investment, you must invest for the 6 year term, as stipulated in the Prospectus.

Investment Security

15. *Is my invested capital secure?*

Yes – Legacy Invest, in association with Avalon Funerals and Avalon Financial Services, have implemented a Value Guarantee, whereby your investment is supported by a Funeral Plan(s) of value equal to your investment. This Value Guarantee is further supported by the Avalon Funerals Group Scheme Funeral Insurance Plan, which ensures that the project carries intrinsic financial value. In addition, these financial guarantees are further strengthened by the inherent capital value of the Immovable Properties, being the Bloemfontein, Durban and Cape Town Memoriam, as well as the land itself, both of which are registered assets of the Companies, thereby underpinning the capital security.

16. *Is the capital growth guaranteed?*

Yes – in addition to the fact that Avalon Investments 1 Limited needs to reach a mere 74% of the income projection in order to ensure both capital and capital growth repayment at the end of the term, Legacy Invest, in association with Avalon Capital, have implemented a structure to guarantee both your capital and the growth as well!

Firstly, for each R15 000.00 investment that you make into Avalon Memoriam Investments 1 Limited, you receive a Funeral Plan, which is redeemable after 12 months. In this way, your initial investment is secured.

At the end of the term, both your capital AND your capital growth are assured, by means of the Guaranteed Buy-back Agreement, whereby Avalon Capital, the National developer of the Avalon Memoriam project, guarantees to buy back your shares, without reservation, for 220% of their purchased value..

17. *When does the capital growth realize?*

At the end of the 72 month term of the investment.

18. *Is the investment secure?*

The investor's security is built upon the fixed property value, the niche value and the guaranteed buy back. These are further underpinned by the inherent capital value of the Avalon Funerals Insurance Policy, underwritten by a major insurance house. Finally, the Guaranteed Buy-back Agreement guarantees that Avalon Capital will buy back your shares for 220% of their purchase value, after 72 months.

19. *Can one of the directors disappear with the money?*

No – the money may only be utilized solely for the acquisition of the various assets as outlined in the Prospectus. These assets then become part of Avalon Memoriam Investments 1 Limited, of which you are a shareholder.

20. *How safe is the investment?*

The investors receive proprietary rights. It is similar to buying your own house, or another property, or even a small business. The difference is that with this investment, you are purchasing a portion of a much larger, stronger Company than would be possible on your own, which increases the return potential and reduces the risk.

21. *Is this an investment similar to that of Asset managers whom deal on the stock exchange?*

No – an Asset manager's niche market is Unit Trusts. Furthermore, Asset Managers apply a far more general type of investment allocation method. Our investment is focused upon a specific enterprise, in this case, the Avalon Project. This allows us to control the investment and ensure maximum returns for minimum risk.

22. *Can we invest cash?*

NO! All Investment Projects which we undertake are scrutinized to be absolutely transparent and excessively legitimate. We are not prepared to deal in cash, as such transactions are prone to abuse. Also bear in mind that any Attorney or Financial Advisor accepting large sums of cash, is obliged under Law to report that he/she received cash in the account. Should he/she fail to do so, it could result in a R1 000 000.00 fine or 30 years imprisonment.

Auditors (SAB&T)

23. *What are SAB&T's functions?*

They are the auditors of the respective Companies. They audit the Companies and reports back to the investors at the Annual General Meeting. They also advise on compiling of the different projects (guard dog).

24. *May we view the audited statements?*

Yes. Every year at the Annual General Meeting, SAB&T submits a report that is available for perusal by all investors. Any other information, such as budgets, Trust deeds, Insurance, etc. may be requested from time to time by the investors.

Attorneys

25. *Why does the money go to CRONJÉ & BUITENDAG ATTORNEYS TRUST ACCOUNT?*

To protect the investors. CRONJÉ & BUITENDAG ATTORNEYS ensures that the transaction complies with all the legal requirements, BEFORE RELEASING THE MONEY. Should something go wrong before transfer of the respective shares, the investment amount is paid back to the investor.

26. *How do we know whether our money is safe?*

Neither Legacy Invest nor Avalon Memoriam Investments 1 Limited. handles the initial investment capital. The money goes directly to the trust fund of CRONJÉ & BUITENDAG ATTORNEYS until such time as the Prospectus is subscribed and the shares are issued by SAB&T, who are the registered auditors of the Company.

27. *What happens if my money goes missing from the Attorneys Trust Account?*

There are very few financial accounts as strictly controlled by law, as an attorneys trust account. However, should something happen, then your money is protected by the Attorneys Fidelity Fund, subscribed by the law Society of South Africa, which protects against such an eventuality.

General

28. *How liquid is my money?*

It takes three to six weeks to trade shares. However, as the liquidity of your investment is based upon the sale of shares, you must be aware that there needs to be an interested buyer and willing seller.

29. *When does the investment grow?*

As the value of the share escalates. The capital value of the share grows at a simple growth rate of 20% (Twenty Percent) per annum, over the six year period.

30. *Do I have a cooling off period?*

Yes, there is a 7 day cooling off period – Should you decide to cancel within the first 7 days, you only have to pay an administration fee of R550. Should you wish to disinvest after the cooling off period, but before the application of funds towards the project on subscription of this Prospectus, then a fee of 10% of the investment amount would apply, to accommodate commissions and other costs incurred.

31. *Can the investment be ceded?*

Yes – if the other party agrees to it. After the initial 12 months, you can also cede the Funeral Plan(s) which were issued as a Value Guarantee towards your investment.

32. *It is too good to be true! What is the catch?*

Usually, investments of this size, with this level of return potential, are not available to the small investor. In this case, we are developing the Company together with the investors, who become 100% owners of the Company, which means that the investors are eligible to these high returns.

33. *When do I get a share certificate?*

Once the Prospectus is subscribed, the shares are registered and issued. The entire process of issuance and registration take three to four weeks (after subscription).

34. *Must I do the investment in my own name?*

You can, but it is advantageous to do part of your investment in the name of your spouse or children, because of the income tax and capital gains tax benefits involved. You could also make the investment into a family trust or other legal entity. Remember to seek advice regarding the tax implications of these options.

35. *What is the minimum investment amount, and why?*

The absolute minimum amount that we can accept is R10 000.00. However, we do recommend a minimum investment amount of R15 000.00, as this is the entry level at which an investor qualifies for the Value Guarantee of a Funeral Plan (with another Funeral Plan for each subsequent R15 000.00).

36. *How does the Value Guarantee Funeral Plan work?*

For every R15 000.00 that you invest, Avalon Memoriam Investments 1 Limited will issue you with a Basic Funeral Plan, from Avalon Funerals. This Funeral Plan must remain dormant for the first 12 months of your investment, where after it is redeemable at any time during the remainder of your investment term, should you, a loved one, or any other nominee, require a funeral. Redeeming the Funeral Plan will be deemed as a Sale of Shares, whereby those of your shares in the Company connected to that particular Funeral Plan, shall be transferred back to the company after the funeral Plan has been redeemed.

37. *I wish to invest in the project, so what is the point of the Funeral Plan?*

Your investment will ensure that you are a full shareholder in the Company, with full Proprietary Rights. The Funeral Plan is merely an added guarantee, which gives you immediate value on your investment, ahead of the 72 month term, should you wish to redeem it.

38. *What exactly is the difference between the Funeral Policy and this Funeral Plan?*

A Funeral Policy is the funeral insurance cover developed by Avalon, underwritten by a major insurance house. This funeral cover is based on Life Insurance products, which makes it very innovative in the funeral insurance industry, but it still works on the same basic principle as any other insurance. You pay a monthly premium and when you or a family member covered by the policy, pass away, then the insurance company will pay out a sum in accordance with the type of policy that you selected.

The Funeral Plan, on the other hand, is a fully comprehensive funeral PACKAGE, compiled by Avalon Funerals. This funeral package would usually be pre-paid and the owner of the package is then entitled to a full funeral, as defined by the package, should the need arise. In the case of this investment, Legacy Invest have negotiated with Avalon Funerals, to offer a Basic Funeral Package, worth R15 000.00, as a Value Guarantee, for each R15 000.00 invested in the project.

39. *Is this Funeral Plan mine to keep?*

Yes, it is yours to keep for as long as your money is invested in the project. Should you opt to make use of the Funeral Plan during the term of the investment, then this will be deemed as a cancellation OF THAT PORTION OF YOUR INVESTMENT, which was linked to that particular Funeral Plan. If you have not made use of the Funeral Plan at the end of the investment term, then the Funeral Plan will be cancelled once you have received your full 220% Real Investment Return.

40. *What if I want to keep some of my Funeral Plans and cash out the rest of my investment?*

You can make use of the Funeral Plan at any time after the initial 12 months of your investment. You can do this by ceding the Funeral Plan, or by making use of it within your family. You can also sell your actual shares to another party at any time during the investment period. However, it would only be possible to opt for a scenario as per your question, at the end of the 72 month term. In such a case, you are welcome to retain some of your Funeral Plans, which will then be deducted from your Real Investment return and the balance will be paid out to you.

Brokers

41. *How much commission is paid over by the Company?*

We believe in transparency, in addition to which, we are obliged to reveal the commission structures. The broker receives 6% commission. The only other contributions are the permissible deductions, as set out by the Financial Services Board, for marketing and promotion.

42. *Is this rate of commission high?*

Capital facilitation commission rates are industry related. The commissions are already integrated into the budget, so there is no negative impact upon the project, or on the Return on Investment. Furthermore, the commissions payable are a once-off payment, which equates to a mere 1% per annum, over the 6 year term.

43. *Is the commission a once off?*

Yes, as explained above.

44. *Are you registered with the FSB?*

Yes. Our license number is 19653. To view the official copy of registration, refer to our website.

45. *How will you deal with the FAIS bill?*

We are FSB 1.8 and 1.10 accredited and registered. Any Financial Advisors, who wish to promulgate this investment, must also comply with this level of accreditation.

46. *What if a FNB branch is not present in the town?*

Send your payment via Overnight mail and the Broker will pay the cost.

47. *Does Legacy Invest have competition as motivation?*

From time to time, Legacy Invest could initiate a competition as motivation. In that case, it will always be dealt with in accordance with the relevant prescriptions as promulgated by the FAIS Act and the guidance of the Financial Services Board. Please contact your financial consultant to obtain the information about any such competition.

48. *May business be pooled by the broker?*

No – Legacy Invest are strictly adherent to the FAIS regulations. Only Financial Advisors with the correct accreditations may promulgate our products, therefore we do not allow a broker to appoint sub-agents, assistant marketers or “runners”. Similarly, pooling of business by the broker is not allowed. Your investment is allocated to a specific Share Issue, specifically under your name, or under the name of the structure that you have selected. Should you wish to form a coalition with colleagues, you are entitled to do so, but the investment must be made under a single entity.

Sales

49. *What happens if you want to sell your shares and there are no buyers?*

The Company, the Promoter and the Financial Advisor are not obligated to re-sell your shares on your behalf, ahead of the 72 month term. However, should you elect to sell your shares then we will assist you in finding a willing buyer, wherever possible.

50. *Should I decide to sell my shares before the 72 month term, will I have to pay a fee?*

It is important to remember that this is a 6 year investment and we advise against early disinvestment wherever possible. However, should you elect to pursue this course of action, then there is a fee element involved in selling your shares ahead of the 72 month term.

51. *How is the share sale fee structured?*

During the first 7 days	- R550.00
Preceding Application of Funds	- 10% of the Investment Amount
Months 2 – 72	- capital value x 2%

In addition, if you do not sell the shares yourself, then you will be responsible for any commissions due to the parties that assisted you in securing an interested buyer.

52. *How does resale work if I do not have a buyer of my own?*

Should you want to sell your shares with our assistance, you must inform us of this intention in writing. We will then inform the broker network, who may then seek out an interested buyer. The buyer will submit an offer to purchase the shares, which you may then accept or reject.

The principle is supply and demand.

53. *How does the administration of resale work?*

It is important to remember that the initial term of the investment is 72 months. However, should the Investor wish to sell his shares sooner, then Legacy Invest will provide assistance wherever possible, though we cannot guarantee the resale value in mid-term.

In the event that an investor nevertheless wishes to sell his shares and requests our assistance, then the investor must provide the following:

1. A letter from the client to announce the resale with motivation.
2. A certified copy of the person's ID.
3. The original share certificate.
4. Proof of Address (not older than 3 months).
5. Proof of Banking Details (not older than 3 months)
6. Complete the section of the CM 42 applicable to "SELLER"
(you will be able to obtain a Cm 42 form through your Financial Advisor or Accountant)

The seller must also contact Legacy Invest and request a Share Transfer Form, whereupon the Seller must complete all of the relevant areas and return the Share Transfer form to Legacy Invest as soon as possible.

Remember to initial each page and cross out all areas not applicable.

The information can initially be faxed, but the original documents must be handed in at our offices as soon as possible thereafter.

Legacy Invest now announces the resale of the shares and offers that are negotiated with the seller are noted. These negotiations are performed by the administrative staff in conjunction with the broker.

Once a Buyer is available, this Buyer shall also be required to complete certain sections of the Legacy Share Transfer Form, as will the Financial Consultant involved.

The seller is informed of the offers and has the right to accept or reject the Offer to Purchase.

In the event that the seller wishes to proceed with the sale, then the process will continue, under supervision by Legacy Invest.

Once the transaction is completed, the money is received from the buyer then the share is issued to him. The money will again be paid into the Trust Account of the Legal Firm.

The Legal Firm will deduct all the resale costs and commissions payable and the balance is paid into the sellers banking account. Please note that a schedule of these costs and commissions may be requested by the seller prior to the conclusion of the transaction.



LEGACY INVEST

A legacy of wealth