

The Ratcliffes Syndicates - Highs and Lows

Over the **27** years since 1991, when Ratcliffes pioneered the establishment of the commercial property investment syndicates we arrange, the averaged annual returns reported for commercial property by the Investment Property Databank Index are **8.32%**, and for the FTSE All Share Index, are **9.69%**. The Ratcliffes Syndicates annual returns for the same **27** year period have averaged **20.24%**.

So for more than a quarter of a century, our averaged annual returns have been more than twice those of the Stock market and nearly two and half times those of the commercial property index. The FTSE has bettered our returns in **8** of the last **27** years, and the IPD in just **5** of those years.

In its best year (1993), the IPD reported returns of **20.3%**, and in its worst year (2008), losses of **22.1%**. In its best year (2009), the FTSE reported recovered returns of **30.12%**, following its worst year (2008), when losses were **29.93%**. In our best year (1994), Ratcliffes reported audited averaged returns of **92.4%**, and in our worst year (2013), losses of **19.25%**.

Our inaugural syndicate was of a retail investment property in Beccles, purchased on 24th March 1991. The first **8** syndicated properties acquired and resold between March 1991 and August 1994, returned average profits of **53.5%**, and due to some short ownership periods, averaged annual compound returns of **67.42%**.

Our most successful syndicate to date, was a leveraged purchase of a Greggs retail property in Wimbledon, which returned profits of **741.5%**, with a **38.5%** annual compound return, over **6.53** years of ownership. Our second most successful syndicate, was a leveraged purchase of a Woolworth store in Devizes, which returned profits of **341%**, with a **37%** annual compound return, over **4.5** years of ownership.

Our first **122** syndicates were all profitable. Our **123rd** syndicate comprising a WH Smith store in Norwich, sold in November 2013, was our first loss maker.

Up to our last audit in September 2018, of the **163** closed syndicates arranged on **194** properties, **15** or **9%**, were loss makers and **148** or **91%**, were profitable. **40%** of our **81** leveraged syndicates returned over **100%** profits on the Investors' capital employed. As a consequence of the 2008/9 property market crash, of the 15 loss makers most regrettably our Investors' entire cash investment was lost in **5** of those syndicates.

Since resuming syndicate investment purchases in **2012**, after market conditions had stabilised, no further leveraged syndicates have yet been arranged, with all **48** of the properties acquired in **45** syndicates to date, bought outright for cash.

Of the **45** syndicates arranged since November 2012, **11** have now been closed with the properties resold. The individual audited percentage returns achieved, are shown on the schedule below, and the averaged returns were as follows:-

Average Ownership Period 1.72 years; Average Return 38.38%; Average Annual Compound Return 24.16%

The financial information on these recently sold syndicates can be found in the audited Investment Returns Tables.

November 2018

**Audited Returns for the
Ratcliffes Post-Crash Syndicate Purchases and Resales -
November 2012 to January 2018**

Property Syndicate	Tenant	Dates Purchased and Sold	Ownership Period	Total Return	Annual Compound Return
D & A (2143) Devizes	Specsavers	21/11/2012 – 29/05/2014	1.52 years	41.72%	25.53%
D & A (2141) St. Neots	Lloyds Bank	23/08/2013 – 22/01/2015	1.42 years	29.25%	19.86%
D & A (2149) Melton Mowbray	Wilko	23/04/2014 – 12/06/2015	1.14 years	35.8%	29.19%
D & A (2134) Romsey	Superdrug	10/10/2013 – 20/08/2015	1.86 years	27.62%	14.01%
D & A (2148) Bishop's Stortford	Barclays Bank	03/03/2014 – 10/03/2016	2.02 years	67.7%	29.14%
D & A (2096/2097) Sudbury	Card Factory	25/03/2015 – 24/11/2016	1.67 years	32.57%	18.38%
D & A (2144) Woodbridge	Lloyds Bank	27/11/2013 – 24/12/2016	3.08 years	56.76%	15.73%
D & A (2163) Fareham	Lloyds Bank	29/06/2016 – 11/05/2017	0.87 years	59.14%	71.02%
D & A (2155) Epping	Card Factory/Caffe Nero	23/04/2015 – 16/11/2017	2.57 years	32.37%	11.53%
D & A (2171) Diss	Carphone Warehouse	01/03/2017 – 07/12/2017	0.77 years	15.1%	20.05%
D & A (2150) Sudbury	Holland & Barrett	15/01/2016 – 18/01/2018	2.01 years	24.16%	11.36%
Averaged Returns			1.72 years	38.38%	24.16%

N.B. These were all cash syndicates, with no recourse to leverage.