

RYDER CAPITAL LIMITED

26 October 2016

Market Announcements Platform
Australia Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

2016 Annual General Meeting – Chairmans' Address

Please find attached the Chairmans' address from the Company's Annual General Meeting held earlier today.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'D Bottomley', with a stylized flourish at the end.

David Bottomley
Company Secretary

RYDER CAPITAL LIMITED

2016 Annual General Meeting – Chairmans’ Address

On behalf of the Board, I'd like to welcome all Ryder Capital Limited (“Ryder” or “Company”) Shareholders and other visitors present to our first Annual General Meeting. As we have a quorum, I now declare the Annual General Meeting open.

My name is Peter Constable and I am Chairman of Ryder Capital Limited. Our Board present here today consists of David Bottomley, Executive Director and Ray Kellerman, Non-Executive Director.

Ryder Capital Limited performed satisfactorily in its first year since listing last September, 2015. More recently post 30 June 2016 some of our core investment holdings have lifted the Company’s short term performance.

I would like to take this opportunity to reiterate what our investment strategy and objectives are.

Our strategy is to build a highly concentrated portfolio of between 10 and 20 securities with a bias towards smaller capitalisation securities. We focus on both value (including deep value / out of favour businesses) together with growth opportunities where we see a material discount for growth. We take a longer term view requiring conviction and patience.

Our investment objective is to provide shareholders with long term capital growth above our benchmark (RBA Cash rate + 4.25%).

Results for the year ended 30 June 2016

At 30 June 2016, approximately 50.9% of the Company’s capital was deployed in equities, 5.5% in bonds and 42.1% held in cash or term deposits and 1.5% in other assets.

At a high level, the Company’s performance is best measured by the movement in Net Tangible Assets (NTA) per share before tax. For the period from listing on 28 September 2015 to 30 June 2016, the Company’s NTA per share declined approximately 1.75% from a pre-tax NTA of 99.11 cents to 97.38 cents per share. As at 30 September 2016 the Company’s pre-tax NTA had risen to 111.91 cents per share.

Whilst a somewhat lacklustre beginning, it is important to understand performance during relatively short periods of review such as this are not overly instructive. High average cash weightings were held during a period where long term investments were being initiated.

RYDER CAPITAL LIMITED

We are patient in our approach to building meaningful stakes in undervalued or what we consider to be valuable companies.

Investment Performance

Ryder's NTA performance is reported monthly accompanying the Company's ASX NTA announcements. As at 30 September 2016, Ryder had outperformed its benchmark after all fees and expenses as summarised below.

	At 30 Sept. 2016	3 Months (%)	6 Months (%)	1 Year (%)	Inception to Date ⁽²⁾ (%)
NTA Return (Pre Tax)	1.1191	14.92	13.06	13.04	12.91
Hurdle (RBA Cash Rate + 4.25%)		1.44	2.95	6.12	6.26
Excess Return NTA Return (Pre Tax) - RBA Cash Rate + 4.25%		13.48	10.12	6.92	6.65

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees
2. Inception Date of 22 September 2015

From a share price perspective, returns have not matched those of the Company's underlying investments or NTA. I firmly believe it is too early to draw any conclusions from this or to implement a strategy to address such underperformance in the short term. In the medium to longer term, we expect the superior performance of the underlying portfolio to attract new shareholders who should provide the marginal demand to close any value gap that persists.

Your Board have a meaningful investment in Ryder and as fellow shareholders there is a strong and balanced alignment of interests.

Outlook

The Company entered FY2017 in a strong position with a cash and equivalents weighting of approximately 50%. Our strategy is to selectively and opportunistically deploy this capital over time and construct a portfolio of investments that will provide the opportunity for a meaningful uplift in the value of Ryder. Since 30 June additional capital has been deployed resulting in a 30 September 2016 cash and equivalents balance of approximately 35.8%.

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Portfolio Comments

All investments held by the Company were disclosed in the Company's 2016 Annual Report as part of our obligations as an ASX LIC. While acknowledging shareholders desire to know more about the Company's investment portfolio we are mindful of disclosing information that may undermine the advantages of investment confidentiality. In the interests of balancing these two competing perspectives, we are content to provide an update regarding our Top 5 holdings of securities as at 30 September 2016.

Security	Portfolio % (market value)
OneView Healthcare Limited	10.6
Updater Inc. CDI	9.3
Billabong International Limited	7.8
Codan Limited	6.6
Flexigroup Limited	<u>5.3</u>
Top 5 Securities	39.6
Other Securities	24.6
Cash + Bonds	<u>35.8</u>
Total	100

Peter Constable, Chairman