

## Ryder Capital delivers 27.7% increase in pre-tax NTA, strong growth in total comprehensive income after tax of \$8.9m and declares inaugural 1 cent fully franked interim dividend

Ryder Capital Limited (Ryder or Company) [ASX: RYD] today announces strong investment performance resulting in total comprehensive income after tax of \$8.9m for the six months to 31 December 2017 (1H FY2018). Pre-tax net tangible assets (NTA) per share increased by 27.7% to \$1.5495 during the period.

Investment performance continued to drive a strong appreciation in the Company's pre-tax net assets from \$44.7m to \$56.3m reflecting a 26.0% increase after all fees and expenses. NTA per share growth of 27.7% was enhanced by the operation of the Company's share buyback where 486,910 units were purchased on market during the period at an average price of \$1.1058, a total outlay of \$538,432.

The Company intends to selectively continue the operation of the share buyback where it is accretive on a fully diluted basis.

Directors are pleased to announce an inaugural 1 cent per share fully franked interim dividend\* payable on 9 April 2018 with an ex-date of 22 March 2018. A notice will be sent to all optionholders shortly setting out the process for exercising options into ordinary fully paid Ryder shares including the last date funds must be received to be entitled to the interim dividend.

Directors are committed to paying a steady stream of fully franked dividends provided the Company's investment returns, available cash and franking account allow for the fulfillment of this objective.

Ryders investment performance measured by the movement in pre-tax NTA per share remains strong, materially outperforming its hurdle over all time frames since the IPO (September 2015).

Set out below is the Company's net pre-tax performance <sup>(1)</sup> across short and medium-term timeframes including Inception to Date (ITD) <sup>(2)</sup>:

	6 Months (%)	1 Year	ITD <sup>(2)</sup> (%)	ITD (Annualised) (%)
<b>NTA Return (Pre-tax)</b>	27.68	36.56	56.34	21.70
<b>RBA Cash Rate + 4.25% Return</b>	2.86	5.75	13.96	5.91
<b>Excess Return</b>				
NTA Return (Pre-tax) - RBA Cash Rate + 4.25%	24.82	30.81	42.38	15.79

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

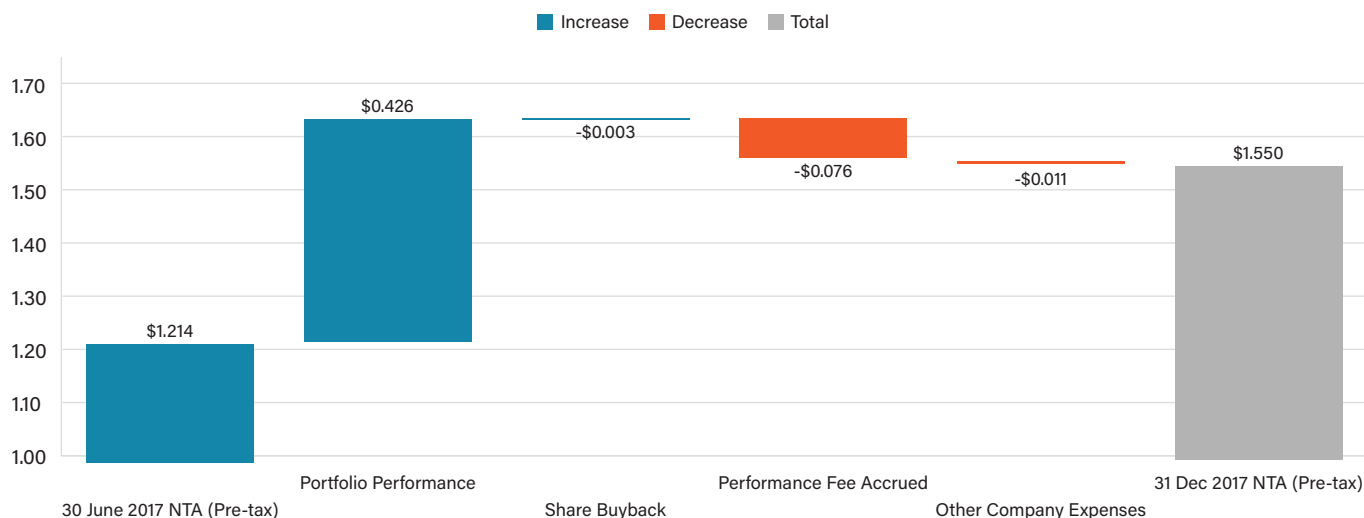
### Portfolio Performance

Investment performance during 1H FY2018 was strong with gross portfolio performance of 34.8%. Gross portfolio profit for the period (realised and unrealised) was \$16.9m with ten positions accounting for 91.4% of the gross gains reflecting a relatively long tail of contributors from our concentrated portfolio approach. Gross losses (realised and unrealised) for the period were \$1.5m and were limited to a narrow group.

Cash holdings continued to decline during the period ending 1H FY2018 at 6.4%. More recently cash holdings have increased and are likely to continue to increase before taking into account additional capital resulting from the exercise of RYDO options.

\* In declaring the 1 cent per share fully franked interim dividend Directors have provided for the exercise of 100% of all outstanding options (RYDO) in its total dividend payment capacity calculations.

## Ryder Capital pre-tax NTA performance



## Outlook

Forecasting the direction of equity markets is challenging and not a primary driver of our portfolio construction or stock selection process given our bottom up, value focus. It is however a factor not lost on us as we consider what appears to be a period of increased risk for equity markets as they begin to price in the prospect of a material uplift in long-term rates and associated inflationary expectations. Subject to the quantum and pace of any movement in rates, valuations for equities will be impacted and in particular longer duration assets.

Further equity market gyrations such as those witnessed earlier this month will likely impact us in the short term. In the medium term we are confident that our investment process can utilise market volatility as an opportunity to selectively deploy capital.

We continue to target higher cash whilst ensuring the portfolio is prudently reviewed for any deteriorating investment thesis.

### Peter Constable

Chairman & Chief Investment Officer

### David Bottomley

Director & Portfolio Manager

For more information visit [www.rydercapital.com.au](http://www.rydercapital.com.au) or contact: [enquiries@rydercapital.com.au](mailto:enquiries@rydercapital.com.au)

## About Ryder Capital Limited

Ryder Capital Limited (Company) was listed in September 2015 and is managed by Ryder Investment Management Pty Limited (Manager) a Sydney based boutique fund manager pursuing a high conviction value driven investment strategy specialising in small to mid-cap Australasian equities. The Managers approach is differentiated by investing for the medium to longer term, being aligned as significant shareholders in the Company and being focused on generating strong absolute returns first and foremost. A key foundation of the Managers success to date has been to minimise mistakes, ignore the crowd and back their judgement.