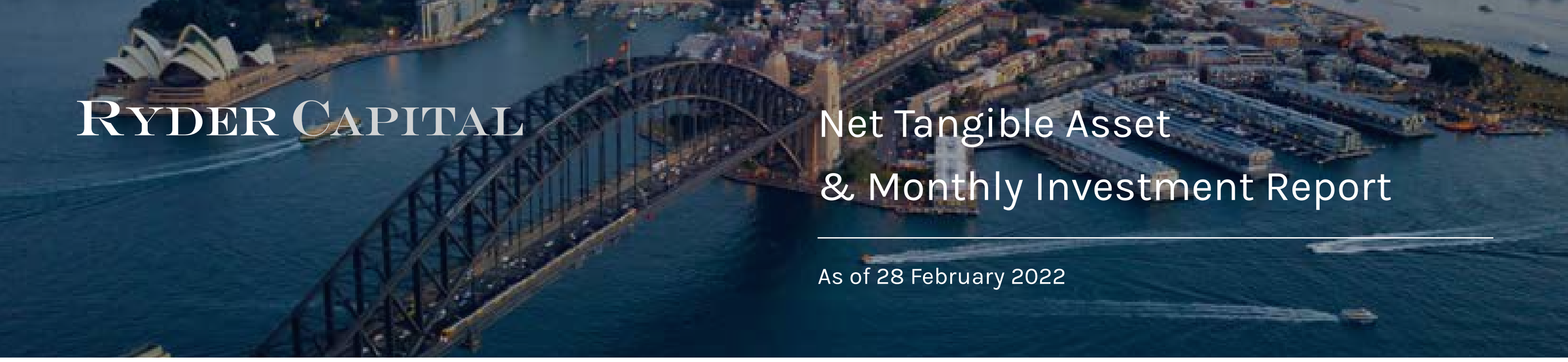

RYDER CAPITAL

Net Tangible Asset & Monthly Investment Report

As of 28 February 2022

Investment Performance

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [3] (%)	Since Inception [3] (% p.a.)
Gross Portfolio Performance	-9.50	-7.86	0.39	18.26	19.77	202.92	18.78
Pre-tax Undiluted NTA Return [1]	-9.51	-8.30	-1.54	13.85	14.99	136.06	14.26
Pre-tax NTA Return [2]	-12.64	-14.17	-10.66	7.95	9.50	84.83	10.01
Hurdle (RBA Cash Rate + 4.25%)	1.06	2.13	4.35	4.71	5.12	39.60	5.32
Excess Return Pre-tax Undiluted NTA Return [1] (RBA cash rate + 4.25%)	-10.57	-10.44	-5.89	9.15	9.87	96.46	8.95

1. Adjusted for the dilution of the exercised 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment of tax.
2. Fully diluted for all options exercised since inception.
3. Inception Date is 22 September 2015.

Investment Commentary

Pre-tax NTA decreased by 11.06 cents during February to $1.6336, a return of (6.34%). Adjusting for a $2.5m tax payment during the month, the pre-provided for and paid tax NTA return was (4.69%) undoing much of January's relative outperformance.

Cash decreased from $27.7m to $22.8m mainly due to the $2.5m tax payment plus some opportunistic additions to existing positions. On a relative basis, the Portfolio cash weighting fell from 18.62% to 16.33%.

The Russian invasion of Ukraine is creating a whole new set of unknowns, in particular its impact on commodities and trade flows which is in turn generating greater uncertainty regarding the outlook for inflation and how central banks will respond. These events have accelerated the repricing of risk and catalysed the flight to liquidity and defensive equity exposure/asset classes. This month we are expanding our commentary to provide Shareholders with more detail in relation to Portfolio performance, recent activity and our outlook during a period of extreme uncertainty and associated volatility. I encourage all Shareholders to take the time to read this commentary.

See over for continuing monthly commentary.

Investment Strategy & Objectives

- Absolute return, value driven fundamental approach
- Exceed RBA Cash rate + 4.25% p.a. over the medium to longer term
- Concentrated portfolio
- ASX listed small/micro cap focus
- Medium to long term capital growth

About Ryder Capital Limited

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

Key Information

ASX Code	RYD
Date of Listing	22 Sep. 2015
Share Price	$1.50
NTA Pre-Tax	$1.6336
NTA Post-Tax	$1.5951
Annual Fully Franked Dividend *	7.0 cps
Fully Franked Dividend Yield **	4.67%
Distributable Profits Reserve ***	38.8 cps
Gross Assets	$139.43m
Market Cap	$127.90m
Shares on Issue	85,268,263

* Trailing annual fully franked dividend
** Based on annual dividend divided by month end share price
*** Distributable profits reserve figures as of 31 December 2021

Portfolio Asset Allocation

Cash 16.33%

Equities 83.67%

Investment Team

Peter Constable
Chairman and Chief Investment Officer

David Bottomley
Portfolio Manager / Director

Lauren De Zilva
Senior Investment Analyst

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RYDER CAPITAL

Net Tangible Asset
& Monthly Investment Report

As of 28 February 2022

Investment Commentary (continued)

The Portfolio's negative return of (4.69%) during February was primarily driven by three holdings: Janison Education Limited (9.4% weighting) down 20.3%, Lumos Diagnostics Limited (2.0% weighting), down 43.8% and BCI Minerals Limited (7.9% weighting) down 7.7%. A strong performance from SRG Global Limited (9.0% weighting), which rose 21.1% after another solid profit report and upgrade, together with positive contributions from Aurelia Metals Limited and Ardent Leisure Group Limited were able to balance out the performance of the remainder of the Portfolio.

In calling out these negative contributors' names, we are highlighting the potential for short term mark to market Portfolio volatility due to significant price moves in some of our larger high conviction positions during extreme risk-off periods. Be assured, we are constantly assessing and reassessing to what extent these month-to-month price moves are at risk of being more permanent in what is a rapidly changing investing environment and outlook.

The Portfolio is approximately 84% invested (16% in cash) of which 90% of the invested Portfolio (75% of the overall Portfolio) is represented by high conviction core holdings including Janison Education Limited (JAN) (9.4%), SRG Global Limited (9.0%), BCI Minerals Limited (7.9%), Updater Technologies Inc (Updater) (6.7%), Cash Converters Intl Limited (5.7%), MacMahon Holdings Limited (5.1%), 3P Learning Limited (4.7%), Aurelia Metals Limited (3.6%), Service Stream Limited (3.2%), Imdex Limited (3.0%), Capitol Health Limited (2.9%) and Countplus Limited (2.4%). With the exception of JAN, we expect each of these core long term holdings to continue to perform well in both a relative and absolute sense through the current risk-off environment due to their respective defensive qualities such as domestic focus, conservative balance sheets, low trading multiples or macro tailwinds.

JAN, our largest exposure at month's end, has contributed significant realised profit and mark to market performance for us to date and remains a core long term Portfolio holding. However, as a 'growth' stock we considered some months ago the risk of a derating and the impact on the JAN share price (and our short-term performance) in an environment where investors actively shun growth in favour of defensive stocks and/or cash in a market such as the one we find ourselves in today.

Given our confidence in the medium and long-term value of JAN - a function of its high quality management team, clear and executable growth strategy, strong balance sheet and recurring defensive characteristics of its educational assessments businesses, we elected to hold our position. With a significant derating having occurred we feel we are now closer to JAN once again becoming an attractive investment beyond that of through a pure growth lens.

Updater, our unlisted US relo-tech investment, despite being a growth Company, has not contributed to Portfolio performance (by way of revaluation of its carrying value) over the past three years notwithstanding material operational and strategic progress. We note a report last week that the US Government Accountability Office (GAO) had dismissed all appeals in relation to the US Transcom award of the USD6.2billion Global Household Goods Contract to the HomeSafe Alliance Consortium. As a reminder, Updater provides a critical and valuable component of the technology solution to the Consortium and is expected to earn material long term income from the provision of software solutions and services under the contract. US Transcom has also officially confirmed that the transition of the services is to begin immediately with all migration to the HomeSafe Alliance to be complete by December 2022. Confirmation of this major contract award combined with Updater's core business progress should provide for a positive review of Updater's carrying value on or before 30 June 2022 despite the very challenging macro backdrop.

That said, we feel it is important to discuss three positions that have had a material negative drag on performance. The first being Lumos Diagnostics Limited (LDX) where a series of assumptions around regulatory progress by us, compounded by over-promises from the Company have resulted in a significant downward reassessment of value. Whilst the key problems were somewhat unforeseen, we paid too high a price with little to no margin of safety. We compounded this error by failing to reduce our exposure (at a profit) when the opportunity arose. The same can be said for Adore Beauty Limited (ABY) where too many rosy assumptions led us to acquiring a larger exposure too early and at the wrong price. Our anticipated margin of safety evaporated and now with the tide running out, this growth e-commerce platform has experienced a significant share price decline to the point where we feel we have suffered the worst of this derating.

Finally, our position in software company Bill Identity Limited has failed to deliver against our investment thesis. We have exited this position given the material operational underperformance and our lack of confidence in management's turnaround strategy. With ABY and LDX representing 3.7% of the Portfolio, no matter what happens from here their impact on future Portfolio performance will be immaterial.

For the foreseeable future the outlook for markets is likely to remain highly uncertain. We do not pretend to have a view that can support anything but maintaining our high conviction core holdings and preserving cash. Only where we see extreme value will we deploy cash. With ~$22.8m as at month end, bolstered by the inflow of ~$1.2m of dividend income from Portfolio companies over coming weeks, Ryder is in a strong position to take advantage of opportunities/price dislocation as and when they arise.

Peter Constable
Chairman and Chief Investment Officer

David Bottomley
Portfolio Manager / Director

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