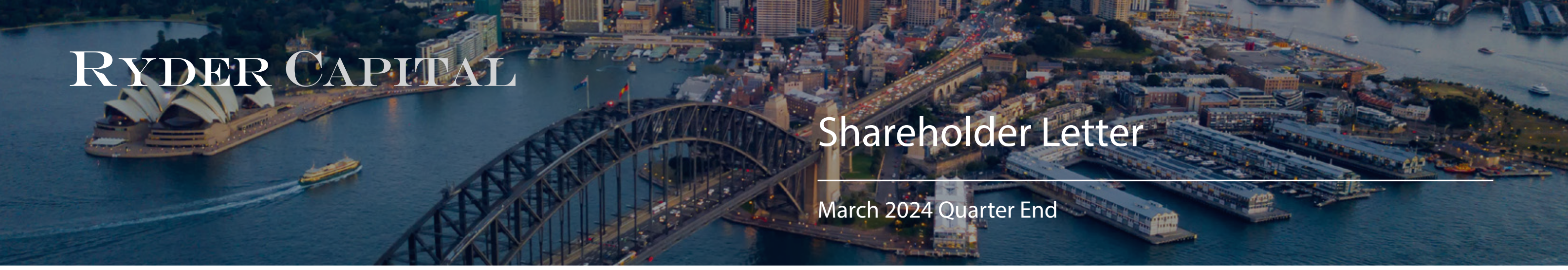


RYDER CAPITAL

Shareholder Letter

March 2024 Quarter End

Dear Fellow Shareholders,

It has now been twelve months, and our third quarterly letter since the inception of this bi-annual communication designed to complement Ryder's half and full year results reporting. The March quarter saw a busy, yet pleasing reporting season. First half reporting was strong across the Portfolio, with improved earnings, operational performance and outlook driving share price gains and further Portfolio valuation support.

March Quarter Activity

Ryder produced a positive pre-tax NTA return of +10.79% for the March quarter, outperforming its performance hurdle of +2.08% by a meaningful +8.71% while also exceeding that of other equity indices such as the All Ords, Small Ords and Emerging Companies index which returned +5.45%, +7.55% and +6.00% respectively. Our strong outperformance reflects both process improvements and a positive shift in market sentiment towards ASX small caps. Despite this renewed interest in small and micro cap stocks, we have maintained a high threshold for new investments, whilst selectively trimming overweight investments on valuation and exposure grounds as a result of recent price gains.

New investments included an upweighting of Service Stream at ~$0.95 per share into their half year results on the expectation of strong, consensus beating results which proved to be the case, pushing Service Stream up ~30%, allowing us to return to our target portfolio weighting whilst banking some nice profits. Additional investments during the quarter included BCI Minerals, Count and Sovereign Cloud (via its recapitalisation). Other activity saw the trimming of positions in SRG and Cash Converters (in order to manage portfolio weighting) as well as Jupiter Mines on the back of their strong share price rally when the bulk carrier MV Anikitos struck and damaged a South32 manganese loading wharf in the Northern Territory as a result of Cyclone Megan. South32's co-owned Groote Eylandt manganese mine is the world's largest single producer of the metal. After reducing our overall market insurance late last calendar year, we continue to hold a small short position through SPI Futures to provide insurance against downside volatility to equity markets whilst we hold lower than target levels of cash.

Our large position in Aurelia Metals is starting to payoff handsomely, benefiting from both operational progress and a strengthening in gold and base metals prices, including copper as the world starts to acknowledge the supply side constraints of certain commodities in meeting the energy transition challenge.

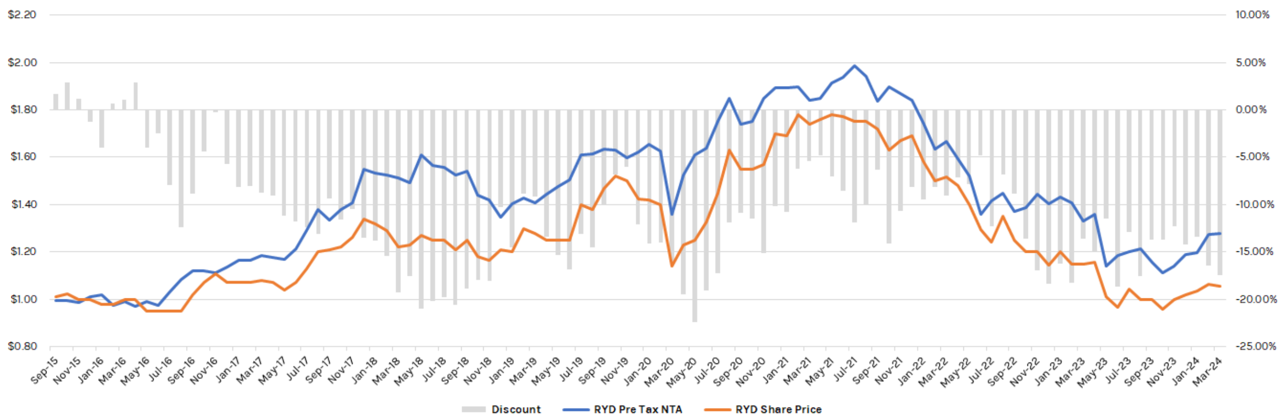
Our $5m holding in a BCI Minerals convertible note (issued October 2023) converted into ordinary shares as part of BCI's recent capital raise at an effective purchase price of $0.2182 against an offer price of $0.25. Further to this, we opportunistically purchased more BCI shares under $0.23 following some surprising weakness in the share price following the capital raise.

Corporate Update

Liquidity and Discount to NTA

We continue to work on improving liquidity in parallel with reducing the discount to NTA by improving performance and increasing awareness of RYD through regular Shareholder communication and capital management initiatives (i.e. share buybacks, increasing dividend payments, implementation of the DRP and via the strategic review).

Ryder Share Price Premium/(Discount) to NTA Since Inception



Contact
Address
Level 28, 88 Phillip Street
Sydney NSW 2000
www.rydercapital.com.au
Phone +61 2 9000 9020
Email enquiries@rydercapital.com.au
ABN 74 606 695 854
AFSL 328 971

We reiterate that progress towards a sustainable improvement to the NTA discount and trading liquidity must start with a meaningful improvement in investment performance. Whilst Ryder was able to generate consistent strong investment performance in its first 6 years, investment errors made in the 2022 and 2023 years, amplified by a risk-off period for small caps led to an extended and material period of poor performance. With a refined and refocused investment process, performance is improving. Pleasingly, 2024 is off to a strong start with the current NTA of $1.2780 demonstrating a six month improvement of +13.75%, inclusive of the 4 cent dividend paid in March. Whilst recent performance has been good, it is only a short-term observation and as such there is much to do to restore our long-term performance and Shareholder confidence.

During the quarter, Ryder's discount to NTA widened slightly and trades at a ~17% discount to pre-tax NTA as at quarter end. We believe this slight widening is primarily a function of the strong gains in NTA leading the share price which should in time close to reflect our improving performance and active capital management initiatives.

Share Buyback

Ryder purchased 248k shares during the quarter, almost all cum dividend, at an average price of $1.04. The buyback remains an attractive form of capital management due to the current discount to NTA and embedded intrinsic value in the Portfolio, presenting a 'double discount' the way we see it. As previously stated, the buyback will continue where it is accretive to NTA, balanced against portfolio liquidity and investment opportunities.

Dividend and Dividend Reinvestment Plan

An interim, fully franked dividend of 4 cents per share for 1H FY24 was paid in March, representing a 33% increase on the prior corresponding period, which, with a commitment to at least match last years final dividend (4.25 cents per share) at the full year will take the annual dividend to at least 8.25 cents per share fully franked. At the quarter end, Ryder maintains a strong profits reserve of $0.271 per share of which 72% or $0.194 can be paid as fully franked dividends, supporting future franked dividends.

Ryder also commenced a dividend reinvestment plan (DRP) to enable Shareholders to reinvest all or part of their dividend. This strategy allows Shareholders to increase their investment in Ryder at an attractive price without the costs of brokerage. We are pleased to have received applications for $304k of dividends to be reinvested at an issue price of $1.0493.

The Board is mindful that implementing a DRP whilst Ryder shares trade at a discount to NTA is dilutionary, however, it is intended that Ryder will buyback more than what is issued via the DRP to neutralise any dilution whilst providing flexibility to Shareholders who want to purchase additional Ryder Shares in an efficient and low cost manner.

Strategic Review

The strategic review continues to progress with an update to be provided along with the Annual Report in August. Ryder is not alone in its initiatives to address the discount to NTA and notes there are other Listed Investment Companies and Listed Investment Trusts implementing a range of options to address the systemic discounts to NTA in the LIC and LIT structure (such options include converting into a different structure, delisting from the ASX, or merging with another entity). Ryder is aware of these options and is considering the advantages and disadvantages of each, along with identifying other options that fit Ryder's Shareholder profile.

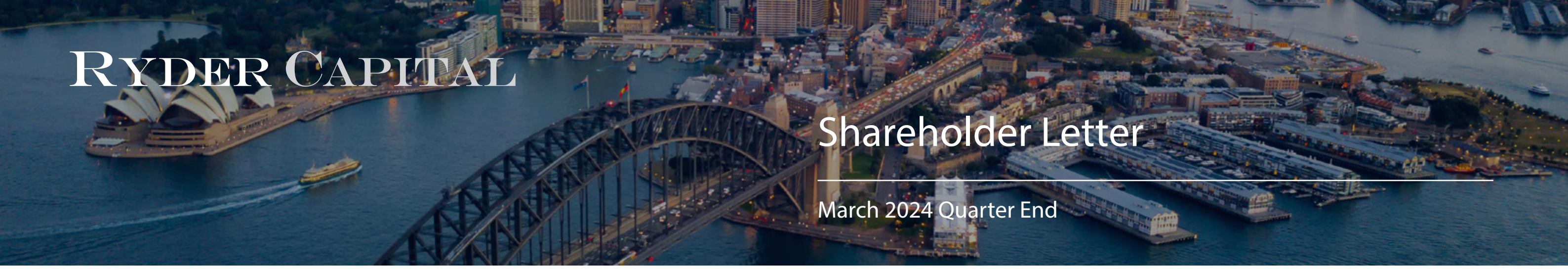
Ryder is committed to providing an improved market or mechanism for Shareholders to realise value for their shares. Your directors own a significant portion of the Company and are well aligned with making decisions that will benefit all Shareholders. We have long held the view that there is a strong correlation between performance and discount to NTA, i.e. the stronger the performance, the lesser the discount. It is therefore pertinent that above all else, Ryder remains focused and committed to improving its investment performance.

Contact

Address
Level 28, 88 Phillip Street
Sydney NSW 2000

www.rydercapital.com.au
Phone +61 2 9000 9020
Email enquiries@rydercapital.com.au

ABN 74 606 695 854
AFSL 328 971



RYDER CAPITAL

Shareholder Letter

March 2024 Quarter End

Performance

The performance summary as at 31 March 2024 is as follows:

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception [3] (% p.a.)
Gross Portfolio Performance	11.41	15.12	4.77	-1.98	8.91	12.81
Pre-tax Undiluted NTA Return [1]	10.80	13.94	2.89	-3.87	5.72	9.10
Pre-tax NTA Return [2]	10.79	13.75	2.62	-6.17	2.54	6.09
S&P ASX All Ordinaries Accumulation Index	5.45	14.59	14.98	9.52	9.52	9.86
S&P ASX Small Ordinaries Accumulation Index	7.55	16.71	13.83	2.72	5.43	8.69
S&P / ASX Emerging Companies Accumulation Index	6.00	11.66	3.17	4.45	11.76	10.89
Hurdle - RBA Cash Rate + 4.25%	2.08	4.20	8.41	6.34	5.74	5.78

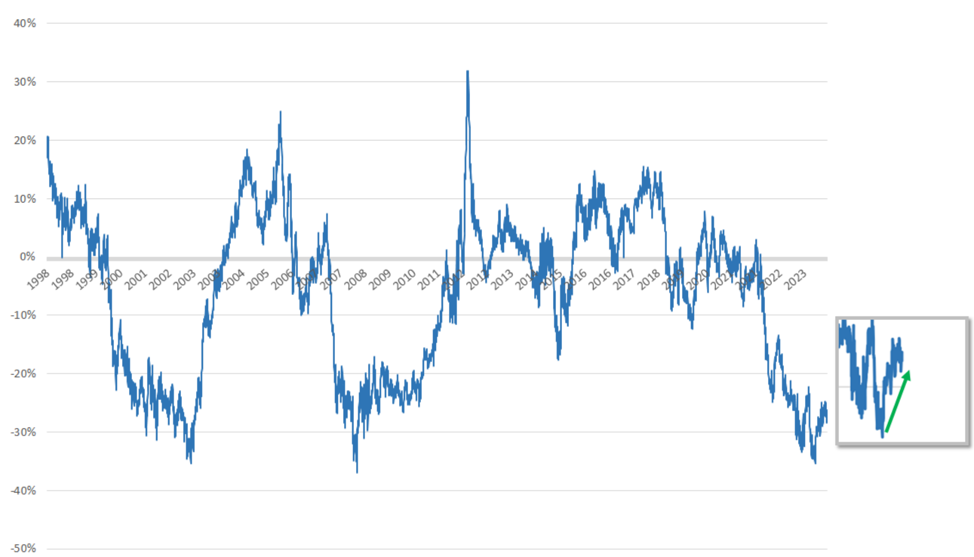
Source: Bloomberg and Apex
1. Adjusted for the dilution of the exercised 26.7m RYDO options and 26.5m RYDOA options. Calculation of pre-tax NTA is prior to the provision and payment of tax.
2. Fully diluted for all options exercised since inception.
3. Inception Date is 22 September 2015.
4. All returns assume the reinvestment of dividends. Past performance is not a reliable indication of future performance.

Small Caps Performance

In the September Shareholder Letter, we presented the rolling 3-year return dispersion of the ASX Small Industrials versus the ASX All Ords chart, which is updated below to reflect the last quarter. Since December, small caps have begun to outperform the All Ords, closing some of the last few years of large and consistent underperformance from a historically significant extreme. With the market largely factoring in the end of monetary tightening and an increasing likelihood of a soft landing for the economy, interest in small caps is returning. This renewed interest presents opportunities for undervalued small caps to generate outsized returns. With Ryder's focus in small caps, we are naturally excited and expect to benefit from this renewed interest and potential small cap outperformance.

Rolling 3 Year Performance - All Ords (Acc) vs Small Industrials (Acc)

Higher = Smalls Outperforming, Lower = Smalls Underperforming



Contact

Address
Level 28, 88 Phillip Street
Sydney NSW 2000

www.rydercapital.com.au
Phone +61 2 9000 9020
Email enquiries@rydercapital.com.au

ABN 74 606 695 854
AFSL 328 971

Key Position Updates

BCI Minerals (-17% over the quarter) completed the final step in funding its Mardie Salt Project, completing a $315m equity raise after receiving shareholder approval on March 14th. With Mardie now fully funded, the focus turns to continued operational progress such as construction, final approvals, further binding offtake agreements and the pumping of ocean water into its ponds to start the salt evaporation process. The decline in share price following the raise, was both surprising and disappointing and we believe meaningfully undervalues BCI given the material reduction in funding risk, construction progress and milestones being achieved together with opportunities for further project cost savings.

Austin Engineering (+48% over the quarter) reported its 1H24 results in late February, with underlying revenue and profit consistent with their earlier trading update and guidance upgrade in January. We continue to view the outlook provided by ANG as somewhat conservative with FY24 NPAT guidance of $31m-$33m (up ~24% from FY23) and we expect a strong 2H FY24 driven by a growing pipeline, improved margins across all business segments and an improving cash flow profile. With a strong finish to FY24 looking increasingly likely, we anticipate another strong year in FY25 delivering a step change in earnings. As such, we see upside to our valuation and share price targets.

Macmahon Holdings (+22% over the quarter) reported strong first half results and increased its interim dividend to $0.0045 per share (+50%). The company reported strong earnings growth which we are expecting to continue into the second half coupled with strong free cash flow generation (after a period of heavy capital investment). Additionally, management has further increased their targeted return on capital to 20% from 15%, giving us further confidence in the strength of the business. Pleasingly, we have seen a strong rally in the share price on the back of these results. Despite this, MAH still trades well below our valuation targets, and we believe there is further upside.

At its first half result, **SRG Global** (+19% over the quarter) delivered a positive result supported by strong cash generation while its upgraded earnings guidance reflects continued momentum in the business. This upgrade is backed by strong forecast cash flow for the second half of 2024 and into FY2025. The company continues to expand, steadily building its order book through a series of contract wins. We believe SRG continues to trade below its intrinsic value and with a strong management team and forecast growth, we see further upside.

Service Stream (+33% over the quarter) reported its first half results ahead of consensus with margins stabilising in its utilities segment and strong growth in its telecommunications segment. After a tough period managing a large and costly utility contract, the business is now in a strong position to continue to deliver earnings growth supported by further margin improvement. Operating in a defensive sector with many tailwinds, we expect SSM to continue to perform well.

Aurelia Metals (+41% over the quarter) delivered solid 1H24 results with earnings, cash flow and balance sheet all ahead of expectations, demonstrating continuing progress in the turnaround being led by new CEO Bryan Quinn. Aurelia's valuable greenfield mine development, Federation, continues on schedule and on budget with first ore expected around September this year, with a full ramp to production in late FY25. This, when combined with strong gains in the underlying prices for gold and base metals and other operational optimisation initiatives sets Aurelia up well for further growth in earnings and valuation upside.

Count (-16% over the quarter) has recently completed its acquisition of Diverger (ASX:DVR) via scheme of arrangement. Despite solid earnings growth in the half and significant synergies from the acquisition, the share price continues to underperform. We believe Count continues to trade well below its intrinsic value and expect that with the integration of Diverger into the Count business and as cost synergies are delivered in the remainder of FY24 and into FY25, a material step change in earnings, profitability and share price performance will follow.

Contact

Address
Level 28, 88 Phillip Street
Sydney NSW 2000

www.rydercapital.com.au
Phone +61 2 9000 9020
Email enquiries@rydercapital.com.au

ABN 74 606 695 854
AFSL 328 971

Janison Education (+18% over the quarter) has been our Achilles heel, where we have seen slow operational progress reflected in a weak and lethargic share price that has largely traded sideways over the past 12 months. However, where there is pain there is often opportunity and we remain confident in the future of Janison with several new long-term contract wins, and most importantly a highly credentialed new leader in CEO Sujata Stead (starting on May 1).

Outlook

With major central banks globally near or having reached the end of their monetary tightening cycle, equity markets in Australia, the US, Europe and Japan all set record highs on the back of better than expected first half earnings, an improving inflation outlook and consensus expectation of expansionary monetary policy on the horizon, equity markets are operating, for now, in the goldilocks zone.

The Ryder portfolio is composed of a core group of value stocks that generate cash, benefit from conservative balance sheets and strong management and, for the most part, pay regular dividends. We expect these investments, complemented by continued active and opportunistic management of the Portfolio, will support ongoing positive performance.

Yours sincerely,

Peter Constable, David Bottomley and Lauren De Zilva

Disclaimer

Contact

Address
Level 28, 88 Phillip Street
Sydney NSW 2000

www.rydercapital.com.au
Phone +61 2 9000 9020
Email enquiries@rydercapital.com.au

ABN 74 606 695 854
AFSL 328 971