

## Ryder Capital delivers 9.75% increase in pre-tax NTA, strong growth in total comprehensive income after tax of \$6.8m and doubles interim dividend to 2 cents fully franked.

Ryder Capital Limited's (Ryder or Company) [ASX: RYD] pre-tax NTA return for six months was 9.75% and for the twelve months to 31 December 2019 was 23.26%.

Strong investment performance continued to drive an appreciation in the Company's pre-tax Net Asset Value (NAV) adjusted for tax and equity distributions from \$89.3m as at 30 June 2019 to \$97.9m at 31 December 2019, a gain of \$8.6m before tax but after performance fees and all other operating expenses.

Directors are pleased to announce a 100% increase to the interim dividend by declaring a 2 cent per share fully franked interim dividend payable on 23 March 2020 with an ex-date of 6 March 2020.

Ryder's investment performance remains strong as set out below, with reference to the Company's benchmark and two relevant ASX equities indices across short and medium to longer term timeframes<sup>(2)</sup>. We highlight the Company's pre-tax undiluted performance which over 1 year, 3 year and inception to date time frames exceeds the most comparable ASX equity index to that of the Company's investment strategy - the ASX Small Ords Accumulation Index. Since inception<sup>(4)</sup> the Manager has outperformed all comparable ASX equity indices<sup>(5)</sup> in both positive and negative markets providing superior risk adjusted returns to the Company and shareholders.

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a)	Since Inception <sup>(2)</sup> (%)	Since Inception <sup>(2)</sup> (% p.a)
<b>Gross Portfolio Performance</b>	-1.00	12.34	26.95	22.51	119.01	20.12
<b>Pre-tax Undiluted NTA Return <sup>(1)</sup></b>	-0.88	9.64	22.96	17.35	85.02	15.47
<b>Pre-tax NTA Return<sup>(2)</sup></b>	-0.88	9.75	23.26	14.34	71.14	13.39
<b>Hurdle (RBA Cash Rate +4.25%)</b>	1.24	2.55	5.42	5.64	27.03	5.75
<b>Excess Return Pre-tax NTA Return<sup>(1)</sup> (RBA Cash Rate +4.25%)<sup>(3)</sup></b>	-2.12	7.09	17.54	11.71	57.99	9.72
<b>ASX All Ords Accumulation Index</b>	0.75	3.59	24.06	10.41	58.03	11.31
<b>ASX Small Ords Accumulation Index</b>	0.76	3.89	21.36	9.98	68.34	12.96

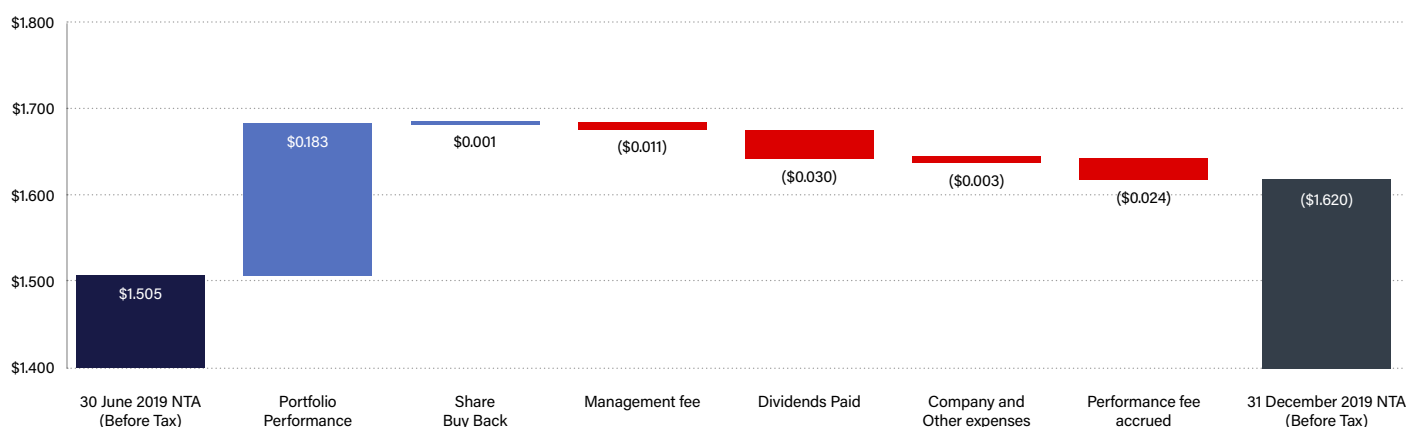
1. Pre-tax NTA return adjusted for exercised 26.7m RYDO options.
2. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees and ignoring the dilutionary impact of unexercised outstanding RYDOA options.
3. Excess Return will be calculated with reference to undiluted NTA return as of February 2019 to better reflect underlying fund performance consistent with the Manager's performance measurement.
4. Inception Date is 22 September 2015.
5. ASX All Ords Accumulation & ASX Small Ords Accumulation.

## Portfolio Performance

Gross portfolio performance was 12.34% for the period and 26.95% for the year to 31 December 2019.

Cash holdings were 19.95% at the end of the period. The Company is in a strong position to capitalise on future investment opportunities as they present.

## Ryder 1H FY2020 Pre-Tax NTA Performance



## Outlook

As bottom-up stock pickers, we do not overly obsess about short term market volatility, market direction or macro themes. We do however use market volatility to selectively enter and exit investments and as a guide to determine appropriate portfolio and cash weightings - as such we continue to give thought to the market's recent strong rise and increased risk associated with ever inflating asset prices, global geopolitical tensions, the upcoming US election and political risks.

We continue to anticipate positive, albeit somewhat subdued equity market returns going forward, supported by central banks who are once again adopting a more accommodative stance, at least for now. With the US election in November, we are mindful of what a change in leadership would mean for market risk appetite in general.

Global GDP growth outlook has stabilised more recently and with the US-China trade tensions working towards resolution, the improved global trade outlook should provide further support for equity markets. As such we see markets muddling along in a positive way with the potential for isolated event volatility (such as the Chinese Coronavirus) providing opportunities for stock picking.

Domestically, the Australian economy continues to present as somewhat anaemic with consumer sentiment poor and a widening gap between stock market performance and underlying earnings growth leaving us increasingly cautious.

### 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 Manager's 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 Manager's success to date has been to minimise mistakes, ignore the crowd and back their judgement.