

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Unaudited as at 30 June 2019	Unaudited as at 30 June 2018	Audited as at 31 December 2018
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,296,321	1,395,797	1,361,019
Current assets	74,191	29,480	3,798
Total assets	1,370,512	1,425,277	1,364,817
EQUITY AND LIABILITIES			
Capital and reserves	1,365,236	1,418,578	1,360,308
Current liabilities	5,276	6,699	4,509
Total equity and liabilities	1,370,512	1,425,277	1,364,817
Net asset value per share - (Rs)	6.01	6.25	5.99
No. of shares used in calculation	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019

	Unaudited Three months to 30 June 2019	Unaudited Six months to 30 June 2019	Unaudited Three months to 30 June 2018	Unaudited Six months to 30 June 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Income	6,109	7,835	3,715	5,305
Profit before finance costs	3,511	2,654	1,033	98
Finance income/(costs)	181	241	121	(116)
Profit/(loss) before taxation	3,692	2,895	1,154	(18)
Taxation	(15)	(15)	(25)	(25)
Profit/(loss) for the period	3,677	2,880	1,129	(43)
Other comprehensive income for the period, net of tax	35,338	29,286	3,815	43,492
Comprehensive income for the period	39,015	32,166	4,944	43,449
Basic earnings per share for the period - (Rs.)	0.02	0.01	-	-
Dividends per share - (Rs.)	0.12	0.12	0.15	0.15
No. of shares in issue and ranking for dividends	226,986,672	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2019	226,987	5,217	747,204	380,900	1,360,308
<i>Comprehensive income</i>					
Profit for the period	-	-	-	2,880	2,880
Other comprehensive income	-	-	31,031	(1,745)	29,286
Total comprehensive income for the period	-	-	31,031	1,135	32,166
<i>Transaction with owners</i>					
Dividends	-	-	-	(27,238)	(27,238)
At 30 June 2019	226,987	5,217	778,235	354,797	1,365,236
At 01 January 2018	226,987	5,217	747,450	429,523	1,409,177
<i>Comprehensive income</i>					
Loss for the period	-	-	-	(43)	(43)
Other comprehensive income	-	-	52,602	(9,110)	43,492
Total comprehensive income for the period	-	-	52,602	(9,153)	43,449
<i>Transaction with owners</i>					
Dividends	-	-	-	(34,048)	(34,048)
At 30 June 2018	226,987	5,217	800,052	386,322	1,418,578

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Unaudited Six months to 30 June 2019	Unaudited Six months to 30 June 2018
	Rs'000	Rs'000
Operating activities		
Net cash generated from operating activities	3,534	3,851
Investing activities		
Net cash generated from investing activities	93,984	36,805
Financing activities		
Net cash used in financing activities	(27,239)	(34,048)
Increase in cash and cash equivalents	70,279	6,608
Movement in cash and cash equivalents		
At 1 January	3,424	22,666
Increase in cash and cash equivalents	70,279	6,608
Effect of exchange difference on cash and cash equivalents	236	(52)
At 30 June	73,939	29,222

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

BASIS OF ACCOUNTING

The unaudited interim quarterly condensed financial statements have been prepared using the same accounting policies set out in the statutory financial statements of the Company for the year ended 31 December 2018.

COMMENTS AND REVIEW FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2019

- The change in the Net Assets Value per share at 30 June 2019 (Rs 6.01) as compared to 31 December 2018 (Rs 5.99) is mainly attributable to an increase in the fair valuation of Investments, which is shown as other comprehensive income.
 - Shareholders' interest was Rs. 1.37 billion at 30 June 2019 compared to Rs. 1.36 billion at 31 December 2018 and Rs. 1.42 billion at 30 June 2018.
 - An interim dividend of Rs 0.12 per share was declared and paid during the quarter under review (quarter ended 30 June 2018; Rs 0.15 per share).
- It is to be noted that P.O.L.I.C.Y. Limited derives most of its dividend income during the second half of its financial year.

By Order of the Board
Ocorian Corporate Administrators Limited
Secretary
14 August 2019

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

Copies of the full financial statements and the statement of direct and indirect interests of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available to the public, free of charge, at the registered office of the Company, c/o Ocorian Corporate Administrators Limited, 6th Floor, Tower A, 1 CyberCity, Ebene.

The auditors of the Company are BDO & Co.

Manager's Report for the quarter ended 30 June 2019

NAV Performance for Q2 2019

The Net Asset Value of POLICY rose by 2.9% during the second quarter 2019, after taking into account the interim dividend of Re. 0.12. The SEMTRI posted a negative performance of 0.9%.

MCB Group Limited and United Basalt Products Ltd contributed positively to the NAV, with 5.1% and 1.7% market price increases respectively, while Lux* Island Resorts Ltd went down by 10.1%.

Outlook

Certain sectors of the Mauritian economy are showing signs of slowing down. Internationally, recent events call for a cautious stance.

Share price and NAV

Period ending	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
Share price	6.74	6.62	6.58	6.10	5.48
NAV	6.25	6.25	5.99	5.96	6.01
Premium/(Discount) to NAV	7.8%	5.9%	9.8%	2.3%	-8.8%

Performance ratios

	Year ended 31 December					
	2014	2015	2016	2017	2018	1Q 2019 2Q 2019
Share price ¹	5.3%	-8.7%	-6.0%	31.1%	-3.8%	-7.3% -8.2%
Net Asset Value ¹	2.6%	3.5%	7.3%	21.9%	2.1%	-0.5% 2.9%
SEMTRI	1.8%	-10.1%	3.3%	25.3%	3.7%	-2.3% -0.9%
SEM-10 ²	-4.4%	-10.2%	-0.4%	22.3%	0.9%	-1.3% -0.5%

¹ Performance adjusted for dividends paid and bonus issue

² SEM-10 replaced the SEM-7 as from Oct-14

Sector allocation as at 30 June 2019	Portfolio allocation	SEMDEX
Banks, Insurance & Other Finance	65.4%	38.8%
Industry	8.3%	7.7%
Leisure & Hotels	7.4%	10.8%
Investments	6.2%	23.2%
International	5.6%	0.1%
Commerce	0.3%	17.5%
Others	6.8%	-
Total	100.0%	

Top 5 holdings as at 30 June 2019

	% of NAV	Market price change 2Q19 (+/-)
MCB Group Limited	53.2%	5.1%
Lux* Island Resorts Ltd	6.3%	-10.1%
ABC Banking Corporation Ltd	6.2%	-1.2%
Phoenix Beverages Limited	5.9%	0.2%
United Basalt Products Ltd	2.4%	1.7%
Total	74.0%	

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