

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Unaudited as at 30 September 2019	Unaudited as at 30 September 2018	Audited as at 31 December 2018
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,311,260	1,418,656	1,361,019
Current assets	73,461	5,280	3,798
Total assets	1,384,721	1,423,936	1,364,817
EQUITY AND LIABILITIES			
Capital and reserves	1,380,749	1,418,856	1,360,308
Current liabilities	3,972	5,080	4,509
Total equity and liabilities	1,384,721	1,423,936	1,364,817
Net asset value per share - (Rs)	6.08	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 SEPTEMBER 2019

	Unaudited Three months to 30 September 2019	Unaudited Nine months to 30 September 2019	Unaudited Three months to 30 September 2018	Unaudited Nine months to 30 September 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Income	14,647	22,482	15,731	21,036
Profit before finance costs	11,875	14,529	13,198	13,296
Finance income/(costs)	448	689	(166)	(282)
Profit before taxation	12,323	15,218	13,032	13,014
Taxation	(16)	(31)	(25)	(50)
Profit for the period	12,307	15,187	13,007	12,964
Other comprehensive income for the period, net of tax	3,206	32,492	(12,729)	30,763
Comprehensive income for the period	15,513	47,679	278	43,727
Basic earnings per share for the period - (Rs.)	0.05	0.07	0.06	0.06
Dividends per share - (Rs.)	-	0.12	-	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 SEPTEMBER 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	-	-	-	15,187	15,187
Other comprehensive income	-	-	34,237	(1,745)	32,492
Total comprehensive income for the period	-	-	34,237	13,442	47,679
<i>Transaction with owners</i>					
Dividends	-	-	-	(27,238)	(27,238)
At 30 September 2019	226,987	5,217	781,441	367,104	1,380,749
At 01 January 2018	226,987	5,217	747,450	429,523	1,409,177
<i>Comprehensive income</i>					
Profit for the period	-	-	-	12,964	12,964
Other comprehensive income	-	-	39,843	(9,080)	30,763
Total comprehensive income for the period	-	-	39,843	3,884	43,727
<i>Transaction with owners</i>					
Dividends	-	-	-	(34,048)	(34,048)
At 30 September 2018	226,987	5,217	787,293	399,359	1,418,856

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

	Unaudited Nine months to 30 September 2019	Unaudited Nine months to 30 September 2018
	Rs'000	Rs'000
Operating activities		
Net cash generated from operating activities	13,974	16,601
Investing activities		
Net cash generated from/(used in) investing activities	82,252	(80)
Financing activities		
Net cash used in financing activities	(27,239)	(34,077)
Increase/(decrease) in cash and cash equivalents	68,987	(17,556)
Movement in cash and cash equivalents		
At 1 January	3,424	22,666
Increase/(decrease) in cash and cash equivalents	68,987	(17,556)
Effect of exchange difference on cash and cash equivalents	686	(192)
At 30 September	73,097	4,918

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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 NINE MONTHS ENDED 30 SEPTEMBER 2019

- (i) The change in the Net Assets Value per share at 30 September 2019 (Rs 6.08) 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.
- (ii) Shareholders' interest was Rs. 1.38 billion at 30 September 2019 compared to Rs. 1.36 billion at 31 December 2018.

By Order of the Board
Ocorian Corporate Administrators Limited
Secretary
12 November 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 September 2019

NAV Performance for Q3 2019

The Net Asset Value of POLICY rose by 1.2% during the third quarter 2019. The SEMTRI and the SEM-10 posted positive performances of 1.0% and 0.9% respectively.

Outlook

Almost all sectors of the Mauritian economy are experiencing structural changes. We are confident that POLICY's top 5 holdings, which represent 73.8% of the NAV, have relatively strong growth prospects over the medium-term.

P.O.L.I.C.Y. Limited is currently increasing its portfolio of international investments, with the objective of enhancing the overall fund performance.

Share price and NAV

Period ending	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Share price	6.62	6.58	6.10	5.48	5.74
NAV	6.25	5.99	5.96	6.01	6.08
Premium/(Discount) to NAV	5.9%	9.8%	2.3%	-8.8%	-5.6%

Performance ratios

	Year ended 31 December								
	2014	2015	2016	2017	2018	1Q 2019	2Q 2019	3Q 2019	
POLICY	Share price ¹	5.3%	-8.7%	-6.0%	31.1%	-3.8%	-7.3%	-8.2%	4.7%
	Net Asset Value ¹	2.6%	3.5%	7.3%	21.9%	2.1%	-0.5%	2.9%	1.2%
Local market	SEMTRI	1.8%	-10.1%	3.3%	25.3%	3.7%	-2.3%	-0.9%	1.0%
	SEM-10 ²	-4.4%	-10.2%	-0.4%	22.3%	0.9%	-1.3%	-0.5%	0.9%

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 September 2019

	Portfolio allocation	SEMDEX
Banks, Insurance & Other Finance	66.3%	39.3%
Industry	7.6%	7.1%
Leisure & Hotels	7.0%	9.0%
Investments	5.7%	24.5%
International	6.3%	0.1%
Commerce	0.3%	18.3%
Others	6.8%	-
Total	100.0%	

Top 5 holdings as at 30 September 2019

	% of NAV	Market price change 3Q19 (+/-)
MCB Group Limited	54.4%	3.3%
Lux* Island Resorts Ltd.	5.9%	-4.7%
ABC Banking Corporation Ltd.	5.9%	-3.9%
Phoenix Beverages Limited	5.2%	-10.3%
United Basalt Products Ltd	2.4%	1.7%
Total	73.8%	

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