

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

|   | Unaudited as at<br>31 March 2020 | Unaudited as at<br>31 March 2019 | Audited as at<br>31 December 2019 |
|---|----------------------------------|----------------------------------|-----------------------------------|
|   | Rs'000                           | Rs'000                           | Rs'000                            |
| <b>ASSETS</b>                           |                                  |                                  |                                   |
| Non-current assets                      | 1,013,780                        | 1,309,696                        | 1,362,710                         |
| Current assets                          | 80,715                           | 47,469                           | 104,638                           |
| <b>Total assets</b>                     | <b>1,094,495</b>                 | <b>1,357,165</b>                 | <b>1,467,348</b>                  |
| <b>EQUITY AND LIABILITIES</b>           |                                  |                                  |                                   |
| Capital and reserves                    | 1,067,363                        | 1,353,459                        | 1,426,005                         |
| Current liabilities                     | 27,132                           | 3,706                            | 41,343                            |
| <b>Total equity and liabilities</b>     | <b>1,094,495</b>                 | <b>1,357,165</b>                 | <b>1,467,348</b>                  |
| <b>Net asset value per share - (Rs)</b> | <b>4.70</b>                      | <b>5.96</b>                      | <b>6.28</b>                       |
| No. of shares used in calculation       | <b>226,986,672</b>               | <b>226,986,672</b>               | <b>226,986,672</b>                |

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2020**

|  | Unaudited<br>Three months to<br>31 March 2020 | Unaudited<br>Three months to<br>31 March 2019 |
|--|---|---|
|  | Rs'000  | Rs'000  |
| <b>Income</b>  | <b>485</b>                                    | <b>1,726</b>                                  |
| <b>Loss before finance costs</b>                       | <b>(2,139)</b>                                | <b>(857)</b>                                  |
| Finance (costs)/income                                 | (11)  | 60  |
| <b>Loss before taxation</b>                            | <b>(2,150)</b>                                | <b>(797)</b>                                  |
| Taxation   | -   | -   |
| <b>Loss for the period</b>                             | <b>(2,150)</b>                                | <b>(797)</b>                                  |
| Other comprehensive income for the period, net of tax  | (356,492)                                     | (6,052)                                       |
| <b>Comprehensive income for the period</b>             | <b>(358,642)</b>                              | <b>(6,849)</b>                                |
| <b>Basic earnings per share for the period - (Rs.)</b> | <b>(0.01)</b>                                 | <b>-</b>                                      |
| <b>Dividends per share - (Rs.)</b>                     | <b>-</b>                                      | <b>-</b>                                      |
| No. of shares in issue and ranking for dividends       | <b>226,986,672</b>                            | <b>226,986,672</b>                            |

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2020**

|   | Share<br>capital | Share<br>premium | Fair value<br>reserve | Retained<br>earnings | Total<br>Equity  |
|---|------------------|------------------|-----------------------|----------------------|------------------|
|   | Rs'000           | Rs'000           | Rs'000                | Rs'000               | Rs'000           |
| At 01 January 2020                        | 226,987          | 5,217            | 831,253               | 362,548              | 1,426,005        |
| <i>Comprehensive income</i>               |                  |                  |                       |                      |                  |
| Loss for the period                       | -                | -                | -                     | (2,150)              | (2,150)          |
| Other comprehensive income                | -                | -                | (356,492)             | -                    | (356,492)        |
| Total comprehensive income for the period | -                | -                | (356,492)             | (2,150)              | (358,642)        |
| At 31 March 2020                          | <b>226,987</b>   | <b>5,217</b>     | <b>474,761</b>        | <b>360,398</b>       | <b>1,067,363</b> |
| At 01 January 2019                        | 226,987          | 5,217            | 747,204               | 380,900              | 1,360,308        |
| <i>Comprehensive income</i>               |                  |                  |                       |                      |                  |
| Loss for the period                       | -                | -                | -                     | (797)                | (797)            |
| Other comprehensive income                | -                | -                | (1,662)               | (4,390)              | (6,052)          |
| Total comprehensive income for the period | -                | -                | (1,662)               | (5,187)              | (6,849)          |
| At 31 March 2019                          | <b>226,987</b>   | <b>5,217</b>     | <b>745,542</b>        | <b>375,713</b>       | <b>1,353,459</b> |

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2020**

|  | Unaudited<br>Three months to<br>31 March 2020 | Unaudited<br>Three months to<br>31 March 2019 |
|--|---|---|
|  | Rs'000  | Rs'000  |
| <b>Operating activities</b>                                |   |   |
| Net cash used in operating activities                      | (10,095)                                      | (2,042)                                       |
| <b>Investing activities</b>                                |   |   |
| Net cash (used in)/generated from investing activities     | (7,563)                                       | 45,272  |
| <b>(Decrease)/increase in cash and cash equivalents</b>    | <b>(17,658)</b>                               | <b>43,230</b>                                 |
| <b>Movement in cash and cash equivalents</b>               |   |   |
| At 1 January   | 73,805  | 3,424   |
| (Decrease)/increase in cash and cash equivalents           | (17,658)                                      | 43,230  |
| Effect of exchange difference on cash and cash equivalents | 20  | 55  |
| At 31 March  | <b>56,167</b>                                 | <b>46,709</b>                                 |

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020**

**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 2019.

**COMMENTS AND REVIEW**

- The change in the Net Assets Value per share at 31 March 2020 (Rs 4.70) as compared to 31 December 2019 (Rs 6.28) and 31 March 2019 (Rs 5.96) is attributable to the significant drop in values of stock markets following the impact of Covid-19, which is shown as other comprehensive income.
- Capital and reserves was Rs. 1.07 billion at 31 March 2020 compared to Rs. 1.35 billion at 31 March 2019.
- It is to be noted that P.O.L.I.C.Y. Limited used to derive most of its dividend income during the second half of its financial year. However, it is expected that the post effect of Covid-19 on the Company's Investments will impact on the level of dividend receivable this year.

**By Order of the Board**  
**Ocorian Corporate Administrators Limited**  
**Secretary**  
**22 May 2020**

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 31 March 2020**

**NAV Performance for Q1 2020**

The Net Asset Value of POLICY went down by 25.2% during the first quarter of 2020, while the SEMTRI posted a negative performance of 27.7%. Within our top 5 holdings, two stocks fell sharply, namely Lux\* Island Resorts Ltd. and MCB Group Limited, while two others, ABC Banking Corporation Ltd. and Phoenix Beverages Limited, barely declined.

**Outlook**

The economic consequences linked to the Covid-19 are significantly impacting Mauritius. As per the IMF forecast, growth will contract by 6.8% in 2020, while inflation should rebound to 4.7%. The 31<sup>st</sup> March 2020 results to be published by listed companies should give a first indication of the damage.

**Share price and NAV**

| Period ending             | 31-Mar-19 | 30-Jun-19 | 30-Sep-19 | 31-Dec-19 | 31-Mar-20 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Share price               | 6.10      | 5.48      | 5.74      | 5.74      | 5.50      |
| NAV                       | 5.96      | 6.01      | 6.08      | 6.28      | 4.70      |
| Premium/(Discount) to NAV | 2.3%      | -8.8%     | -5.6%     | -8.6%     | 17.0%     |

**Performance ratios**

|                              | Year ended 31 December |       |       |       |       |         |
|------------------------------|------------------------|-------|-------|-------|-------|---------|
|                              | 2015                   | 2016  | 2017  | 2018  | 2019  | 1Q 2020 |
| <b>POLICY</b>                |                        |       |       |       |       |         |
| Share price <sup>1</sup>     | -8.7%                  | -6.0% | 31.1% | -3.8% | -8.2% | -4.2%   |
| Net Asset Value <sup>1</sup> | 3.5%                   | 7.3%  | 21.9% | 2.1%  | 9.8%  | -25.2%  |
| <b>Local Market</b>          |                        |       |       |       |       |         |
| SEMTRI                       | -10.1%                 | 3.3%  | 25.3% | 3.7%  | 1.4%  | -27.7%  |
| SEM-10 <sup>2</sup>          | -10.2%                 | -0.4% | 22.3% | 0.9%  | 1.0%  | -30.7%  |

<sup>1</sup> Performance adjusted for dividends paid  
<sup>2</sup> SEM-10 replaced the SEM-7 as from Oct-14

| Sector allocation as at<br>31 March 2020 | Portfolio<br>allocation | SEMDEX |
|--|-------------------------|--------|
| Banks, Insurance & Other Finance         | 61.7%                   | 39.6%  |
| Industry                                 | 9.7%                    | 8.8%   |
| Leisure & Hotels                         | 4.4%                    | 6.5%   |
| Investments                              | 7.0%                    | 25.5%  |
| International                            | 9.8%                    | 0.2%   |
| Commerce                                 | 0.3%                    | 18.0%  |
| Others                                   | 7.1%                    | -      |
| <b>Total</b>                             | <b>100.0%</b>           |        |

**Top 5 holdings as at  
31 March 2020**

|                              | % of NAV     | Market price change<br>1Q 2020 (+/-) |
|------------------------------|--------------|--------------------------------------|
| MCB Group Limited            | 49.5%        | -34.1%                               |
| ABC Banking Corporation Ltd. | 7.6%         | -4.7%                                |
| Phoenix Beverages Limited    | 7.2%         | -2.8%                                |
| FundSmith Global Equity Fund | 3.5%         | -13.9%                               |
| Lux* Island Resorts Ltd.     | 3.2%         | -52.8%                               |
| <b>Total</b>                 | <b>71.0%</b> |                                      |

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