

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Unaudited as at 31 March 2021	Unaudited as at 31 March 2020	Audited as at 31 December 2020
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,001,077	1,013,780	1,020,249
Current assets	104,237	80,715	118,047
Total assets	1,105,314	1,094,495	1,138,296
EQUITY AND LIABILITIES			
Capital and reserves	1,101,946	1,067,363	1,134,423
Current liabilities	3,368	27,132	3,873
Total equity and liabilities	1,105,314	1,094,495	1,138,296
Net asset value per share - (Rs)	4.85	4.70	5.00
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 QUARTER ENDED 31 MARCH 2021

	Unaudited Three months to 31 March 2021	Unaudited Three months to 31 March 2020
	Rs'000	Rs'000
Income	554	485
Loss before finance costs	(2,527)	(2,139)
Net foreign exchange gains/(loss)	27	(11)
Finance costs	(1)	-
Loss before taxation	(2,500)	(2,150)
Taxation	-	-
Loss for the period	(2,500)	(2,150)
Other comprehensive income for the period, net of tax	(29,983)	(356,492)
Comprehensive income for the period	(32,483)	(358,642)
Basic earnings per share for the period - (Rs.)	(0.01)	(0.01)
Dividends per share - (Rs.)	-	-
No. of shares in issue and ranking for dividends	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2021

	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2021	226,987	5,217	431,899	470,326	1,134,429
Comprehensive income					
Loss for the period	-	-	-	(2,500)	(2,500)
Other comprehensive income	-	-	(29,983)	-	(29,983)
Transfer of fair value reserve of equity instruments designated at FVTOCI on disposal	-	-	(72,088)	72,088	-
Total comprehensive income for the period	-	-	(102,071)	69,588	(32,483)
At 31 March 2021	226,987	5,217	329,828	539,914	1,101,946
At 01 January 2020	226,987	5,217	831,253	362,548	1,426,005
Comprehensive income					
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	226,987	5,217	474,761	360,398	1,067,363

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2021

	Unaudited Three months to 31 March 2021	Audited Three months to 31 March 2020
	Rs'000	Rs'000
Operating activities		
Net cash generated from/(used in) operating activities	19,170	(10,095)
Investing activities		
Net cash used in investing activities	(10,810)	(7,563)
Financing activities		
Net cash used in financing activities	(1)	-
Increase/(decrease) in cash and cash equivalents	8,359	(17,658)
Movement in cash and cash equivalents		
At 1 January	73,065	73,805
Increase/(decrease) in cash and cash equivalents	8,359	(17,658)
Effect of exchange difference on cash and cash equivalents	27	20
At 31 March	81,451	56,167

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2021

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 2020.

COMMENTS AND REVIEW

- (i) The change in the Net Assets Value per share at 31 March 2021 (Rs 4.85) as compared to 31 December 2020 (Rs 5.00) and 31 March 2020 (Rs 4.70) resulted from the significant drop in values of stock markets following the economic recession caused by the impact of Covid-19.
- (ii) Capital and reserves was Rs. 1.10 billion at 31 March 2021 compared to Rs. 1.07 billion at 31 March 2020.
- (iii) During the quarter under review, the Company did not receive dividend from its top investment, MCB Group Limited.

By Order of the Board

Ocorian Corporate Administrators Limited
Secretary

12 May 2021

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

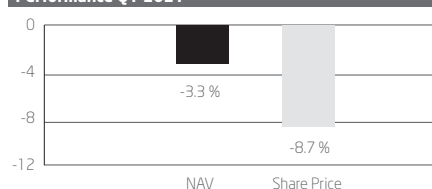
The Board of Directors of P.O.L.I.C.Y. Limited accepts full responsibility for the accuracy of the information contained in these financial statements.

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 Ernst & Young.

MANAGER'S REPORT FOR THE QUARTER ENDED 31ST MARCH 2021

Performance Q1 2021



Commentary

The quarterly performance was negatively impacted by the Company's exposure to Local Equities. The biggest detractor for the quarter was the Company's exposure to MCB Group Ltd whose share price fell by 8% during the quarter. Among the top holdings, investments in the Fundsmith Global Equity Fund and Sands Capital Global Growth Fund contributed positively to the quarterly performance.

Despite bouts of volatility towards the end, the major foreign stock markets posted a solid first quarter. Equities surged higher on the back of two overriding themes: greater than expected fiscal stimulus and vaccine progress. Over the quarter, the MSCI All Country World Index rose by 7.4% in MUR terms.

US stock prices were further supported by the positive labour report in the US and the announcement of an additional USD 2.3 trillion in spending geared towards infrastructure. On 1st April, the S&P 500 index closed above 4,000 for the first time in history. The index rose by 8.2% (in MUR terms).

Locally, the picture was quite different. With Mauritius under a second lockdown, the SEM Official Market indices registered negative returns for the quarter. SEMTRI and SEM-10 lost 2.9% and 4.5% respectively. In contrast, the DEMTRI recorded a gain of around 8% over the quarter. At the end of March, dividend yield on the local Official Market stood at 2.2% (source: Stock Exchange of Mauritius).

The Net Asset Value (NAV) of P.O.L.I.C.Y. Ltd fell by 3.3% during the first quarter of 2021. Over the same period, the SEMTRI and the MSCI All Country World Index returned -2.9% and +7.4%, respectively (in MUR terms). The shares of the Company were trading at a discount of 25% relative to the NAV as at end-March 2021.

Quarterly Performance Attribution

Local Investments (including cash)	-4.2%
Foreign Investments	0.9%
Total Quarterly Performance	-3.3%

Outlook

The Company continues to look for attractive investment opportunities which will help rebalance its portfolio and potentially improve risk-adjusted returns in the medium-term. A new Investment Policy Statement (IPS) was moreover approved during the quarter. Focus will remain on increasing exposure to overseas assets via well-rated and highly performing funds.

Historical Share Price and NAV

Quarter ended	Mar-21	Dec-20	Sep-20	Jun-20
Share Price	366	401	400	450
NAV	486	503	466	502
Premium or (Discount)	-24.7%	-20.3%	-14.2%	-10.4%

Performance Ratios (Calendar Year)

P.O.L.I.C.Y. Limited	Year-to-date	2020	2019	2018
Share price	-8.7%	-30.1%	-8.2%	-3.8%
Net Asset Value	-3.3%	-19.9%	9.8%	2.1%

Local Market Performance Comparison

Local market	2021	2020	2019	2018
SEMTRI	-2.9%	-23.4%	1.4%	3.7%
SEM-10 ²	-4.5%	-28.0%	1.0%	0.9%

Foreign Market Performance Comparison

Foreign Market	2021	2020	2019	2018
MSCI ACWI	7.4%	25.9%	34.2%	7.7%

Instrument

% of portfolio

Portfolio Allocation as at end December 2020

Top 3 Local Investment Holdings

MCB Group	32.2%
ABC Banking Ltd	4.3%
Phoenix Beverages Ltd	3.7%

Top 3 Foreign Investment Holdings

Sands Capital Global Growth Fund	7.6%
Fundsmith Global Equity Fund	6.9%
Capital Group New Perspective Fund	3.8%

