

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018			
	Unaudited as at 31 March 2018	Unaudited as at 31 March 2017	Audited as at 31 December 2017
	Rs'000	Rs'000	Rs'000
ASSETS			
Non-current assets	1,439,071	1,219,017	1,387,779
Current assets	11,593	39,881	24,208
Total assets	1,450,664	1,258,898	1,411,987
EQUITY AND LIABILITIES			
Capital and reserves	1,447,682	1,256,028	1,409,177
Current liabilities	2,982	2,870	2,810
Total equity and liabilities	1,450,664	1,258,898	1,411,987
Net asset value per share - (Rs)	6.38	5.53	6.21
No. of shares used in calculation	226,986,672	226,986,672	226,986,672

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2018		
	Unaudited Three months to 31 March 2018	Unaudited Three months to 31 March 2017
	Rs'000	Rs'000
Income	1,590	1,416
Loss before finance costs	(935)	(978)
Finance costs	(237)	(122)
Loss before taxation	(1,172)	(1,100)
Taxation	-	36
Loss for the period	(1,172)	(1,064)
Other comprehensive income for the period, net of tax	39,677	36,506
Comprehensive income for the period	38,505	35,442
Basic earnings per share for the period - (Rs.)	-	-
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 2018					
	Share capital	Share premium	Fair value reserve	Retained earnings	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2018	226,987	5,217	747,450	429,523	1,409,177
<i>Comprehensive income</i>					
Loss for the period	-	-	-	(1,172)	(1,172)
Other comprehensive income	-	-	39,677	-	39,677
Total comprehensive income for the period	-	-	39,677	(1,172)	38,505
At 31 March 2018	226,987	5,217	787,127	428,351	1,447,682
At 01 January 2017	226,987	5,217	528,513	459,869	1,220,586
<i>Comprehensive income</i>					
Loss for the period	-	-	-	(1,064)	(1,064)
Other comprehensive income	-	-	38,829	(2,323)	36,506
Total comprehensive income for the period	-	-	38,829	(3,387)	35,442
At 31 March 2017	226,987	5,217	567,342	456,482	1,256,028

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2018		
	Unaudited Three month to 31 March 2018	Unaudited Three months to 31 March 2017
	Rs'000	Rs'000
Operating activities		
Net cash generated from/(used in) operating activities	169	(512)
Investing activities		
Net cash used in investing activities	(11,597)	(8,855)
Decrease in cash and cash equivalents	(11,428)	(9,367)
Movement in cash and cash equivalents		
At 1 January	22,666	46,353
Decrease in cash and cash equivalents	(11,428)	(9,367)
Effect of exchange difference on cash and cash equivalents	(237)	(122)
At 31 March	11,001	36,864

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018	
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 2017.	
COMMENTS AND REVIEW	

- (i) At 31 March 2018, the Net Assets Value per share of the Company stood at Rs. 6.38 compared to Rs. 6.21 at 31 December 2017 and Rs. 5.53 at 31 March 2017. The higher Net Assets Value per share is attributable to a rise in the unrealised gain on fair valuation of investments. The increase in fair valuation is reflected as part of other comprehensive income.
- (ii) Shareholders' interest was Rs. 1.45 billion at 31 March 2018 compared to Rs. 1.26 billion at 31 March 2017.

By Order of the Board
Abax Corporate Administrators Ltd
Secretary

11 May 2018

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 Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene.

The auditors of the Company are BDO & Co.

Manager's Report for the quarter ended 31 March 2018	
NAV Performance for Q1 2018	Outlook
The NAV of POLICY rose by 2.7% during the first quarter 2018 when Phoenix Beverages Limited and Phoenix Investment Co. Ltd. were the main performance drivers.	Following a very positive year 2017, inflationary trends have started to weigh on local and international markets. As a result, POLICY will continue to focus on companies with strong balance sheets and fundamentals.

Share price and NAV					
Period ending	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
Share price	6.16	6.60	6.80	7.20	7.08
NAV	5.53	6.10	6.40	6.21	6.38
Premium to NAV	11.4%	8.2%	6.3%	15.9%	11.0%

Performance ratios								Sector allocation as at 31 March 2018	Portfolio allocation	SEMDEX allocation
Year ended 31 December										
	2013	2014	2015	2016	2017	1Q 2018				
POLICY	Share price ¹	64.6%	5.3%	-8.7%	-6.0%	31.1%	-1.7%	Banks, Insurance & Other Finance	60.8%	38.5%
	Net Asset Value ¹	23.2%	2.6%	3.5%	7.3%	21.9%	2.7%	Industry	11.5%	7.2%
Local market	SEMTRI	24.4%	1.8%	-10.1%	3.3%	25.3%	4.1%	Leisure & Hotels	10.5%	12.9%
	SEM-10 ²	19.7%	-4.4%	-10.2%	-0.4%	22.3%	3.3%	Investments	9.0%	24.1%
								Foreign	5.6%	0.1%
								Commerce	0.5%	14.8%
								Property Development	0.0%	0.5%
								Sugar	0.0%	1.3%
								Transport	0.0%	0.6%
								Unquoted	1.7%	0.0%
								Liquidity	0.4%	0.0%
								Total	100.0%	100.0%

1 Performance adjusted for dividends paid

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

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

Top 5 holdings as at 31 March 2018	Rs. in million	% of NAV	1Q 18 Performance
MCB Group Limited	696	48.1%	1.1%
Lux* Island Resorts Ltd.	103	7.1%	1.4%
ABC Banking Corporation Ltd.	86	5.9%	-1.5%
Phoenix Beverages Limited	83	5.7%	9.1%
Ciel Textile Ltd.	43	3.0%	1.2%
Total	1,011	69.8%	

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