



ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Audited 2022 Rs'000	Audited 2021 Rs'000
Income	22,466	28,835
Expenses	(9,136)	(10,759)
Profit before finance costs	13,330	18,076
Net foreign exchange losses	(3,402)	(1,450)
Finance costs	-	(2)
Profit before income tax	9,928	16,624
Taxation	(235)	(49)
Profit for the year	9,693	16,575
Other comprehensive (loss)/income for the period, net of tax	(217,006)	215,432
Comprehensive (loss)/income for the year	(207,313)	232,007
Basic earnings per share for the period - (Rs.)	0.04	0.07
Dividends per share - (Rs.)	-	0.17
No. of shares in issue and ranking for dividends	226,986,672	226,986,672

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Audited 2022 Rs'000	Audited 2021 Rs'000
Net cash from operating activities	46,881	1,711
Net cash (used in)/generated from investing activities	(106,552)	29,331
Net cash used in financing activities	(20,564)	(18,026)
(Decrease)/increase in cash and cash equivalents	(80,235)	13,016
Movement in cash and cash equivalents		
At 1 January	86,081	73,065
(Decrease)/increase in cash and cash equivalents	(80,235)	13,016
At 31 December	5,846	86,081

BASIS OF ACCOUNTING

The financial statements comply with International Financing Reporting Standards and are prepared under the historical cost convention as modified by the fair valuation of financial assets at fair value through other comprehensive income ("FVTOCI").

COMMENTS

(i) The change in the Net Assets Value per share at 31 December 2022 (Rs 4.94) as compared to 31 December 2021 (Rs 5.85) resulted mainly from a drop in the values of the investments. Further details on the performance of the company are explained in the factsheet at 31 December 2022.

(ii) Capital and reserves stood at Rs. 1.12 billion at 31 December 2022 compared to Rs. 1.33 billion at 31 December 2021.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Audited 2022 Rs'000	Audited 2021 Rs'000
ASSETS		
Non-current assets	1,098,665	1,208,916
Current assets	24,532	143,297
Total assets	1,123,197	1,352,213
EQUITY AND LIABILITIES		
Capital and reserves	1,120,529	1,327,842
Current liabilities	2,667	24,371
Total equity and liabilities	1,123,197	1,352,213
Net asset value per share - (Rs)	4.94	5.85
No. of shares used in calculation	226,986,672	226,986,672

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital Rs'000	Share premium Rs'000	Fair value reserve Rs'000	Retained earnings Rs'000	Total Equity Rs'000
At 01 January 2021	226,987	5,217	431,902	470,317	1,134,423
<i>Comprehensive income</i>	-	-	-	16,575	16,575
Profit for the year	-	-	-	16,575	16,575
Other comprehensive income for the year	-	-	215,432	-	215,432
Transfer of fair value reserve of equity instruments designated at FVTOCI on disposal	-	-	-	-	-
Total comprehensive income for the year	-	-	(189,381)	189,381	-
<i>Transaction with owners</i>	-	-	26,051	205,956	232,007
Dividends	-	-	-	(38,588)	(38,588)
At 31 December 2021	226,987	5,217	457,953	637,685	1,327,842
At 01 January 2022	226,987	5,217	457,953	637,685	1,327,842
<i>Comprehensive income</i>	-	-	-	9,693	9,693
Profit for the year	-	-	-	9,693	9,693
Other comprehensive income for the year	-	-	(217,006)	-	(217,006)
Transfer of fair value reserve of equity instruments designated at FVTOCI on disposal	-	-	(82,617)	82,617	-
Total comprehensive income for the year	-	-	(299,623)	92,310	(207,313)
At 31 December 2022	226,987	5,217	158,330	729,995	1,120,529

By Order of the Board
SILEO Corporate Services Ltd
Secretary
29 March 2023

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 SILEO Corporate Services Ltd, Office GF001 1827, Vivea Business Park, Moka.

The auditors of the Company are Ernst & Young.

Investment Objective

P.O.L.I.C.Y. Limited is a closed-end fund, listed on the Official Market of Stock Exchange of Mauritius. The Company aims to provide investors with long-term returns consisting of dividends and capital appreciation through a diversified investment portfolio.

The Company will seek to grow the Net Asset Value (NAV) of the Company in the long run by outperforming the agreed benchmark.

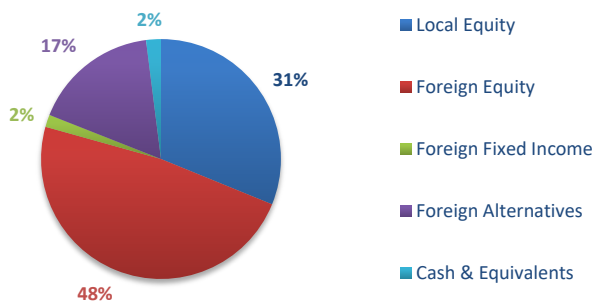
Investment Strategy

The Company aims to invest a maximum of 85% of its total assets overseas. Foreign investments are made across different asset classes through products with a good medium-term track record and which are not always accessible to individual investors.

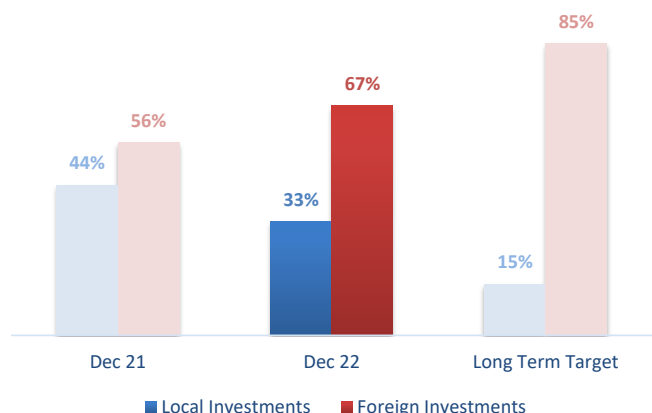
Performance monitoring is regularly done by the Investment Committee, with the help of the investment advisors (Aon Solutions Ltd).

Allocation as at end-December 2022

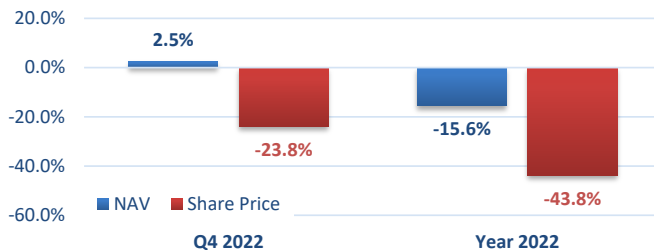
Portfolio Breakdown



Asset Allocation Evolution



Holding Period Return



Top 5 Investment Holdings

Instrument	% of Portfolio
MCB Group Ltd	23.8%
Fundsmith Global Equity Fund	6.8%
Investec Global Leaders Portfolio	5.7%
T. Rowe Price Global Focus Fund	5.6%
Capital Group New Perspective Fund	5.3%

Historical Share Price and NAV (end of month)

	Dec-22	Sep-22	Jun-22	Mar-22
Share Price	2.88	3.78	4.25	4.94
NAV*	4.94	4.82	4.95	5.58
Discount	41.7%	21.6%	14.1%	11.5%

*End of year NAV is as per audited figures, otherwise as published on the SEM.

As at 31 December 2022, the market capitalisation of P.O.L.I.C.Y. Limited amounted to MUR 0.65bln whilst the NAV was around MUR 1.12bln.

Market Update - As at 31 December 2022

	2022	2021	2020	2019
Local Stock Market Performance (MUR)				
SEMTRI	1.0%	31.1%	-23.4%	1.4%
Foreign Stock Market Performance (MUR)				
MSCI ACWI	-17.5%	30.7%	25.9%	34.2%

Commentary & Outlook

During the last quarter of 2022, foreign markets rallied on the expectations of a slowdown in the pace of interest rate hikes. Moreover, the re-opening of the Chinese economy also boosted the performance of emerging markets equities. The MSCI All Country World Index (MSCI ACWI) rose by 9.8% (in USD terms) during the quarter under review. Locally, the SEMTRI was down by 1.5% for Q4 2022. The NAV of P.O.L.I.C.Y. Limited picked up mainly due to its exposure to foreign assets.

During the first two months of 2023, the MSCI ACWI further gained +4.1% in USD terms. The NAV of the Company rose by 7% (from MUR 4.94 as at end-December 2022 to MUR 5.29 as at 28 February 2023). It is worth noting that the International Monetary Fund recently increased its global economic growth forecast from 2.7% to 2.9% for 2023 following resilient US spending and the reopening of the Chinese economy.

The Board will continue to seek new attractive opportunities to further diversify the investment portfolio.



For more information, please email:

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