

P.O.L.I.C.Y. LIMITED (hereinafter referred to as 'POLICY' or 'the Company') is an investment company listed on the Stock Exchange of Mauritius. The purpose of the Company is to invest and grow shareholders' funds, the value of which was MUR 1.42 billion as at 31st August 2024. With this objective in mind, POLICY has been a key long-term investor in many of the companies listed on the Stock Exchange of Mauritius.

In 2019, the Board of POLICY took a strategic decision to redirect the Company's investment focus towards international financial markets. As part of this strategy, POLICY sold approximately 70% of its holdings in companies listed on the Stock Exchange of Mauritius and converted the proceeds into foreign currencies (USD, EUR, GBP) which were then invested in global financial markets through carefully selected investment funds. Alongside these investments, POLICY's Investment Committee chose to maintain a strategic holding in MCB Group Ltd.

As part of the process to further enhance POLICY's investment portfolio, increase its dividend paying capacity, and build an active investor relations and communication strategy, the Board had, as communicated at the Company's last Annual Meeting, appointed Orange Eight as their new Investment Advisor.

By selecting Orange Eight, POLICY believes that the Company will make significant operational savings as the investment portfolio will be invested directly into leading blue-chip companies listed on various international exchanges globally (including the New York Stock Exchange and London Stock Exchange) enabling POLICY to eliminate the high fee structures (typically between 1.00% and 1.50%) associated with the mutual funds that the Company has previously been investing in.

Over the next 3 months, POLICY will be selling a significant portion of its existing holdings in these mutual funds (many of which have benefitted from gains due to the appreciation of USD and EUR versus the Mauritian Rupee, as well as the capital gains achieved in the international stock markets POLICY has invested in). The proceeds of these sales will be used to build a new investment portfolio of listed companies which meet a predefined set of selection criteria identified by the Investment Advisor and exchange traded funds. Some of the selection criteria for the investments in international companies are shown below:

1. The minimum market capitalisation of USD 75 billion dollars (approx. MUR 3,450 billion),
2. Return on invested capital that is at least 20%,
3. The shares are considered to be liquid,
4. The shares are traded on major exchanges (NYSE, Nasdaq, LSE, DAX, TSE, etc).

The above filters are similar to those typically used by investment management companies globally. They therefore provide a list of securities that has a strong overlap to the holdings of many of the funds POLICY has previously invested in, and is similar to the listed holdings of Berkshire Hathaway.

The new investment portfolio of POLICY will maintain its core holding in MCB Group Ltd (which currently stands at 26% as at 31st August 2024) and Orange Eight will then construct around this core investment by integrating international companies that include amongst others, JP Morgan, Visa, Microsoft, Alphabet, and Apple.

With the structured investment process, investors in POLICY will now gain exposure to some of the leading companies in the world through an investment company listed on the Stock Exchange of Mauritius.

In order to reassess its long-term strategy on how best to deliver returns to shareholders in a way that that can also contribute to increasing the trading volumes of POLICY's shares on the Stock Exchange of Mauritius, the Board of POLICY would be reassessing its own dividend policy and at the same time examining the added benefits of introducing a share buyback option under the "Securities (Purchase of Own Shares) Rules 2008" of the Stock Exchange of Mauritius.

As one of its first moves, in order to enhance the corporate identity and visibility of POLICY, Orange Eight has recommended a rebranding of the Company, which has been approved by the Board. We are very pleased to share with you the new POLICY brand.

Shareholders of POLICY and the investing public will be continuously apprised of further developments.

By order of the Board
SILEO Corporate Services Ltd
Company Secretary
17th of October 2024

BRN C07003144

This Communiqué is issued pursuant to Listing Rule 16.17. The Board of Directors of P.O.L.I.C.Y. LIMITED accepts full responsibility for the accuracy of the information contained in this Communiqué.