

Introduction

The second quarter of 2018 proved to be a challenging period for the Company. Including movements in the GBP/USD exchange rate and the dividend paid, shareholder returns reduced by 14.10% in the second quarter of 2018, measured in USD. The Company paid a quarterly dividend of 2.13 \$ cents (1.5p) and its book value was \$1.08 at quarter end.

During the quarter we significantly decreased our exposure further, mainly in equities and local markets. At the end of June 2018, the Company's funds remained fully deployed, albeit in more defensive instruments, except for cash retained for collateral and working capital purposes.

During the period under review, the Company's credit exposure lost 2.02%, whilst equity investments lost 3.18% and local currency bond exposure lost 4.89%. EM Currency exposure equated to -4.02%.

Return Contribution for Each Asset Class		
Asset Class	Year-to-Date	Q2 2018
Credit	-2.02%	-2.01%
Equity	-4.56%	-3.18%
FX	-3.93%	-4.02%
Rates	-2.30%	-4.89%
TOTAL *	-12.81%	-14.10%

The Company is comfortably on track to meet its target annual dividend yield of 6% and the dividend is well covered by economic income in the portfolio. Net of funding costs, 3.0% comes from the Company's equity positions and 3.2% is derived from credit positions. Currency exposure contributes 2.5% with the remaining 0.8% coming from APQ Global's strategic and government bond portfolios.

At the end of the second quarter of 2018, the bulk of the Company's overall exposure was in credit and government bonds (59.9% of book value), followed by local currency bond exposure (11.0% of book value). EM equities accounted for 13.7% of book value.

Portfolio Breakdown	
Asset Class	% of Book Value
EM Credit and Government Bonds	59.9%
EM Local Currency Bonds	11.0%
EM Equities	13.7%
Cash	77.7%
TOTAL	162.4%

KEY FACTS

Company Name	APQ Global Ltd
Ticker	APQ LN
ISIN	GG00BZ6VP173
SEDOL	BZ6VP17
Board of Directors	Bart Turtelboom Wayne Bulpitt Richard Bray Philip Soulsby
Domicile	Guernsey
Official Listing	The International Stock Exchange London Stock Exchange - AIM
Currency	US Dollar
Market Cap.	Appr. \$93m
Book Value Per Share	\$1.08*
Dividend	The Company aims to maintain an annualised dividend yield of 6 per cent
Nominated Advisor & Broker	N+1 Singer Advisory LLP
Principal Banker	Barclays Bank NatWest
Legal Advisors	Stephenson Harwood Mourant Ozannes
Company Secretary	Active Services (Guernsey) Limited
Auditors	BDO LLP
Registrar	Capita Registrars (Guernsey) Limited

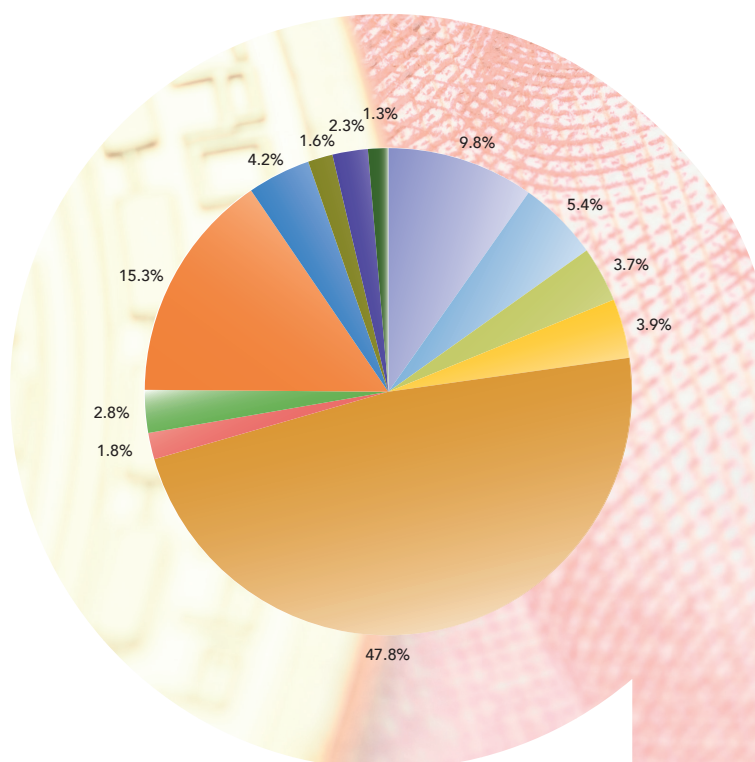
Liquid Markets Portfolio

At the end of the second quarter of 2018, the Company closed out most of its EM equity portfolio and kept a small EM equity index position and its two strategic positions in City of London Investment Group and Anglo Pacific Group.

EM Equity Exposure	
Security Name	% of Book Value
MSCI Emerging Markets Equity Index	7.6%
City of London Investment Group	4.8%
Anglo Pacific Group	1.3%

The Company believes that the global economic growth outlook will continue to be supportive for emerging markets equities but that near-term the impact of an escalation in trade wars, political uncertainty in Europe and ongoing tensions with Russia will likely dampen market sentiment. From a sector perspective, the bulk of the Company's EM exposure is in Financials, followed by Information Technology and Basic Materials taking into account the sector composition of the global EM index exposure.

Equity Exposure by Sector



Corporate Overview

APQ Global (Ticker: APQ LN) is a listed emerging markets company based in Guernsey. The Company successfully listed on the Channel Islands Stock Exchange and was admitted to trading on the London Stock Exchange's AIM Market with a market capitalisation of ca. £80m in August 2016 ("Admission").

The Company's business strategy is implemented through three core activities in emerging markets.

The Company manages a liquid markets portfolio of bonds, equities and currencies with a focus on global emerging markets.

The Company continues to build a portfolio of strategic stakes in emerging markets focused companies at an equity or debt level. In doing so, it aims to be a constructive stakeholder to the management of those companies within the context of a multi-year investment horizon.

The Company plans to, selectively, acquire management control in emerging markets focused companies with the aim of generating sustainable.

- Basic Materials
- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Information Technology
- Materials
- Real Estate
- Telecommunication Services
- Utilities

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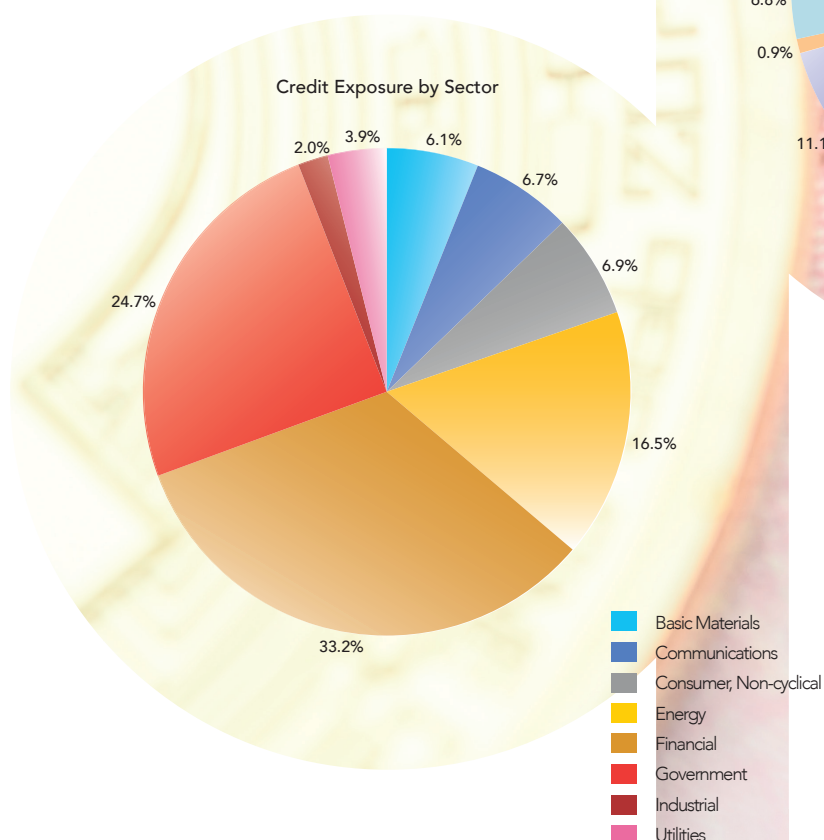
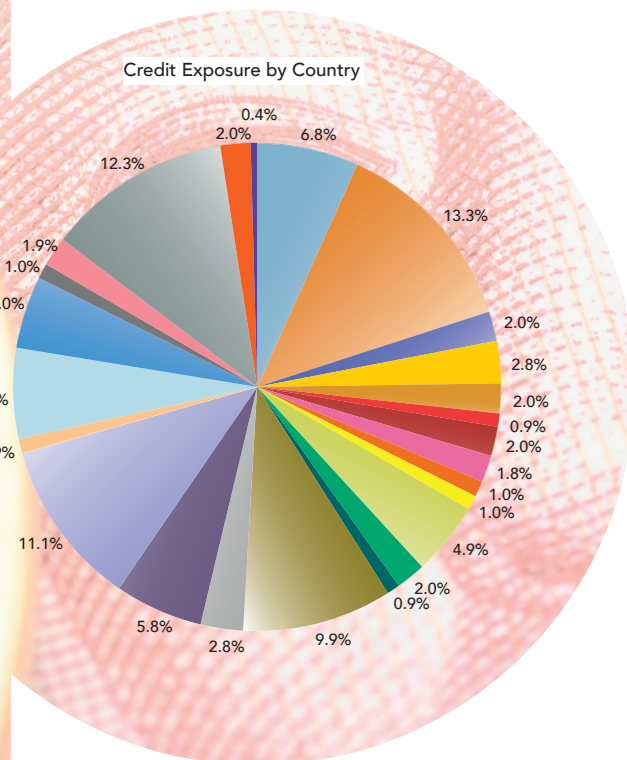
The Company's emerging markets credit book is well diversified for stable income growth and the largest position is in Serbia, accounting for 3.6% of book value.

Geographically, the credit portfolio is also well diversified with the largest positions concentrated in Brazil (13.3%), Turkey (12.3%) and Russia (11.1%).

From a sector perspective, the credit exposure is concentrated in government entities, banks and corporations in the energy sector.



Credit Exposure	
Security Name	% of Book Value
SERBIA 5.875% 12/03/18	3.6%
PEMEX 4.875% 01/18/24	2.3%
PETBRA 6.85% 06/05/15	2.0%
ALFARU 5% 11/27/18	1.8%
CAIXBR 4.5% 10/03/18	1.8%
CCOLAT 4.75% 10/01/18	1.8%
KZOKZ 9.125% 07/02/18	1.8%
ISCTR 5% 04/30/20	1.7%
VIP 4.95% 06/16/24	1.7%
SIBNEF 6% 11/27/23	1.2%



During the quarter, the Company significantly reduced its direct currency exposure. The largest long positions were held in the Turkish Lira (9.5% of book value), Brazilian Real (5.9%) and the South African Rand (5.7%).

The portfolio stress tests indicate that the Company would lose 7.40% of book value for a 10% sell-off in the S&P equity index, drop 2.78% in value if credit spreads were to widen 10% and gain 3.89% in value if interest rates in the US were to increase by 1%.

Stress Test Scenario

Scenario	Change in % of Book Value
Equity Stress Test (S&P -10%)	-7.40%
Credit Stress Test (Credit Spreads up 10%)	-2.78%
Interest Rates Stress Test (Yields up 1%)	-3.89%

Strategic Investment Portfolio

The Company has maintained its investment in City of London Investment Group ('CLIG') representing [4.8%] of its overall book value. APQ Global believes that the positive outlook for the EM equity asset class, the prudent management and an attractive dividend yield bode well for the CLIG stock price.

The Company has maintained a small stake in Anglo Pacific Group of 1.3%, a London Main Market listed mining royalty company, through participation in a rights issue earlier in the year to fund a new royalty agreement with a Canadian mining company.

Direct Investment Portfolio

The Company is currently evaluating various business opportunities with a focus on EM which are undergoing a process of due diligence and takes a cautious approach to such investments. The Company will update shareholders in due course on its progress with these potential investment opportunities.

IMPORTANT NOTICE:

The price of shares and the income from them may go down as well as up. Past performance is no indication of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments. Unless otherwise noted, all numbers are management estimates for the period 1 April 2018 through 30 June 2018. The term 'book value' herein includes the assets of APQ Global and its subsidiaries net of any liabilities. The figure in this announcement is an estimate and is based on unaudited estimated valuations in accordance with the Company's valuation policy as stated in the Company's AIM Admission Document. In September 2017, APQ Global Ltd issued 4,018 units of £5,000 nominal 3.5 per cent convertible unsecured loan stock 2024 ("CULS") to raise £20.09mn. In January 2018, APQ Global Ltd issued a further 1,982 units of £5,000 nominal 3.5 per cent convertible unsecured loan stock 2024 ("CULS") to raise £10.2mn. Under IFRS, the CULS is a financial instrument and has been accounted for under IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement. Therefore, the fair value of the CULS liability component has been calculated, with the difference between this and the fair value of the compound financial instrument as a whole being taken to equity.

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