

## Introduction

2018 was a difficult year for emerging markets. Including movements in the GBP/USD exchange rate and the dividend paid, the Company returned -18.1% Year-to-Date (Q4 -5.85%), measured in USD. The Company paid a dividend of 1.92 US cents (1.5p) during the last quarter of 2018 and its book value per share was 98 US cents as of Year End.

Towards the end of the year we gradually decreased our exposure, mainly in equities and local markets. At the end of 2018, the Company's funds remained fully deployed, albeit in more defensive instruments.

During the year, the Company's credit exposure generated -2.4%, whilst equity investments returned -4.9% and local currency bond exposure returned -2.8%. EM Currency exposure lost -8.0%.

Return Contribution for Each Asset Class	
Asset Class	Year-to-Date
Credit	-2.4%
Equity	-4.9%
FX	-8.0%
Rates	-2.8%
<b>TOTAL</b>	<b>-18.1%</b>

The bulk of the Company's overall exposure was in credit and government bonds (47.6% of book value), followed by local currency bond exposure (31.9% of book value). EM equities accounted for 19.1% of book value.

Portfolio Breakdown		
Asset Class	% of BV	% of Total Gross
Credit	47.6%	26.0%
EM Local Markets (ex IRD)	11.8%	6.5%
EM Currency Exposure	20.1%	11.0%
EM Equities	19.1%	10.4%
Cash	84.4%	46.1%
<b>TOTAL</b>	<b>183.0%</b>	<b>100.0%</b>

## KEY FACTS

Company Name	APQ Global Ltd
Ticker	APQ LN
ISIN	GG00BZ6VP173
SEDOL	BZ6VP17
Board of Directors	Bart Turtelboom Wayne Bulpitt Wesley Davis Philip Soulsby
Domicile	Guernsey
Official Listing	The International Stock Exchange London Stock Exchange - AIM
Currency	US Dollar
Market Cap.	Appr. \$80m
Book Value Per Share	\$0.98
Dividend	The Company is targeting an initial annualised dividend yield of 6 per cent based on the issue price
Nominated Advisor & Broker	N+1 Singer Advisory LLP
Principal Banker	Credit Suisse
Legal Advisors	Stephenson Harwood Mourant Ozannes
Company Secretary	Active Services (Guernsey) Limited
Auditors	BDO LLP
Registrar	Capita Registrars (Guernsey) Limited

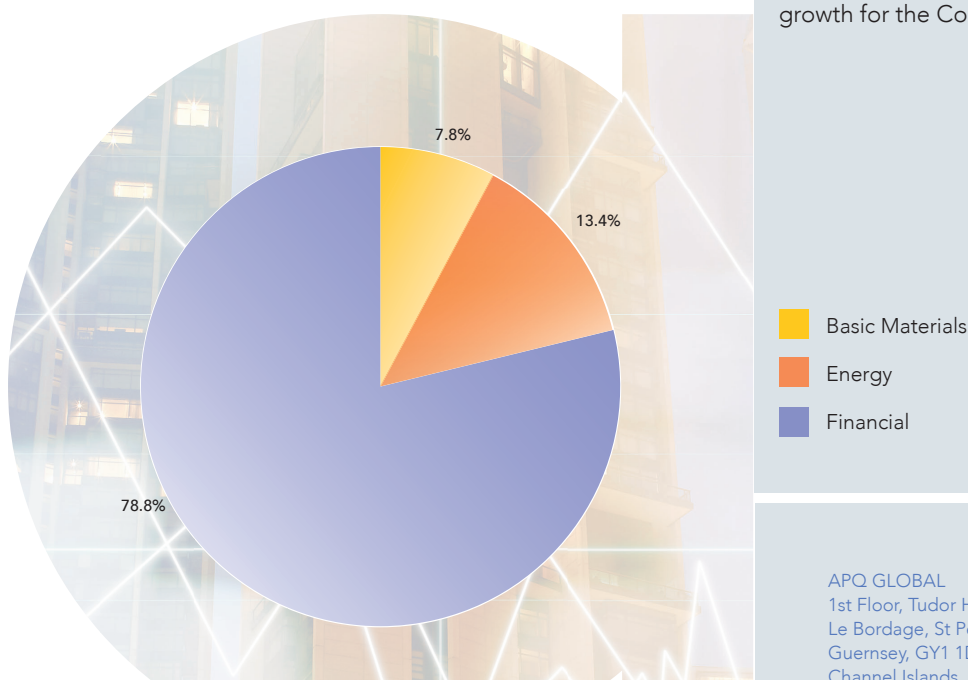
## Liquid Markets Portfolio

During the year, the Company reduced its EM equity portfolio while keeping its two strategic positions in City of London Investment Group and Anglo Pacific Group. The Company added exposure to four Turkish banks, after the sharp sell-off in August. Taking advantage of, in our view, overly-pessimistic sentiment and attractive valuations.

Top EM Equity Exposure (% of Book value)	
Security Name	Exposure (% of Book Value)
City of London Investment Group PLC	7.0%
Turkiye Vakiflar Bankasi TAO	2.9%
Turkiye Garanti Bankasi AS	2.6%
Petroleo Brasileiro SA	2.6%
Akbank T.A.S.	2.5%
Anglo Pacific Group PLC	1.5%

The Company believes that the medium-term global economic growth outlook will be supportive for emerging markets equities, however, the near-term impact of an escalation in trade wars, political and economic uncertainty in Italy and increased tensions in the Middle East and the Gulf will likely dampen market sentiment. From a sector perspective, the bulk of the Company's EM exposure is in Financials, followed by Energy and Basic Materials.

EM Equity Exposure by Sector



The Company's emerging markets credit book is well diversified for stable income growth. The single largest position held is in Argentina, accounting for 4.7% of book value.

## 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 capitalization of ca. £80m in August 2016 ("Admission").

The Company's business strategy will be 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 is building 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 cash distributions and long-term growth for the Company's shareholders.

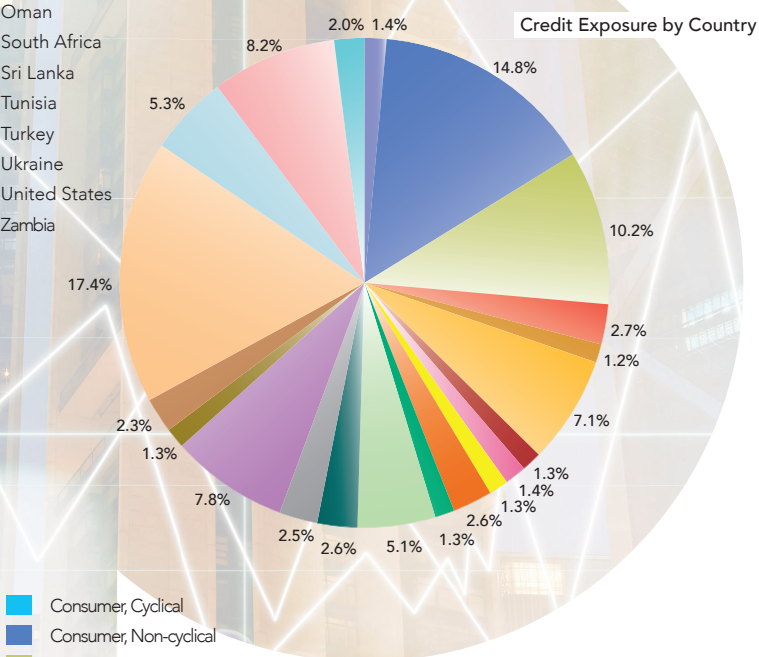
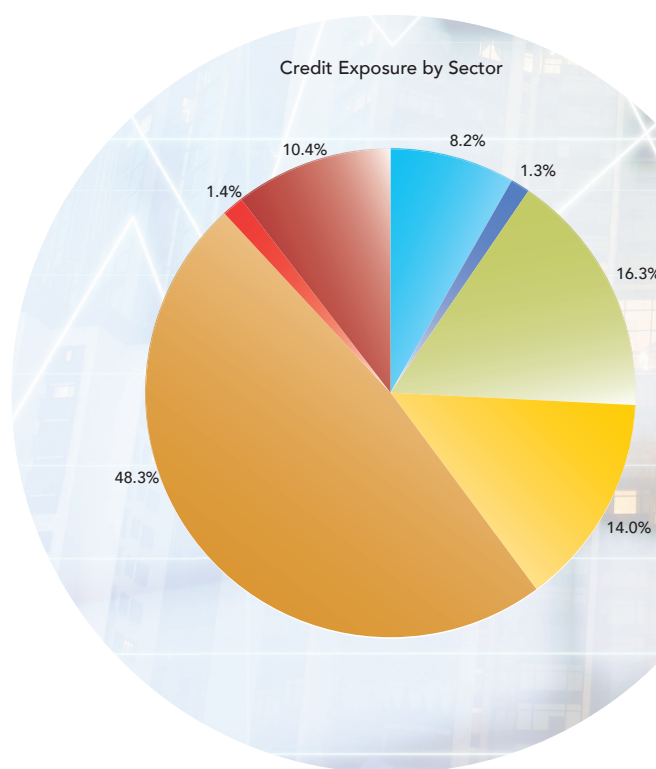
APQ GLOBAL  
 1st Floor, Tudor House  
 Le Bordage, St Peter Port  
 Guernsey, GY1 1DB  
 Channel Islands  
[ir@apqglobal.com](mailto:ir@apqglobal.com)  
[apqglobal.com](http://apqglobal.com)

Geographically, the credit portfolio is also well diversified with the largest positions concentrated in Turkey (17.4%), Argentina (14.8%) and Brazil (10.2%).

From a sector perspective, the credit exposure is largely concentrated in Government, Financials and corporations in the Energy sector.

- Angola
- Argentina
- Brazil
- Chile
- Ecuador
- Egypt
- Ethiopia
- Georgia
- Ghana
- Iraq
- Kenya
- Mexico
- Nigeria
- Oman
- South Africa
- Sri Lanka
- Tunisia
- Turkey
- Ukraine
- United States
- Zambia

Credit Exposure (% of Book Value)		
Security Name		Exposure (% of Book Value)
ARGENT 7 1/8 06/28/17		4.7%
TURKEY 7 06/05/20		4.7%
WMT 4.05 06/29/48		3.9%
PETBRA 6.85 06/05/15		3.5%
EGYPT 7.903 02/21/48		3.4%
ESKOM 8.45 08/10/28		2.5%
PEMEX 4 7/8 01/18/24		2.4%
CAIXBR 7 1/4 07/23/24		1.3%
ISCTR 5 04/30/20		1.3%
UKRAIN 7 3/4 09/01/20		1.3%



During the year, the Company significantly reduced its direct currency exposure. The largest long positions were held in the Mexican Peso (4.8% of book value), Ukrainian Hryvnia (4.2%) and the Indian Rupee (3.5%).

The portfolio stress tests indicate that the Company would lose 10.84% of book value for a 10% sell-off in the S&P equity index, 0.99% in value if credit spreads were to widen 10.00% but gain 0.68% in value if interest rates in the US were to increase by 1.00%.

### Stress Test Scenario

Scenario	Change in % of Book Value
Equity Stress Test (S&P -10%)	-10.84%
Credit Stress Test (Credit Spreads up 10%)	-0.99%
Interest Rates Stress Test (Yields up 1%)	0.68%

## Strategic Investment Portfolio

The Company has maintained its investment in City of London Investment Group ('CLIG') representing 7.0% 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 1.5% of book value, 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

In December, The Company invested around 1.0% of its Book Value in BARTR Holdings, acquiring a 40.0% equity stake. BARTR Holdings is an innovative start-up with specialist knowledge and operational experience of the wholesale telecoms market.

The wholesale international telecommunications market generates \$2 trillion per year in revenue, yet is surprisingly inefficient from a financial, execution and accounting perspective particularly in emerging markets. The pricing and payment dynamics for the purchase and sale of large blocks of minutes of traffic (voice and data) between "Telecoms Majors" and wholesale intermediaries is constrained by legacy systems that are not interoperable.

The current price discovery mechanism for this market involves thousands of untrusted actors sending non-standard format versions of a global routing and pricing database to each other, and re-writing that database each week by swapping information on thousands of spreadsheets via email.

Thus, the routing and termination of an estimated 1 trillion+ voice minutes, trillions of SMS messages and zetabytes of data each year is tied to an anachronistic payment system that is ripe for disruption.

The investment in BARTR Holdings presents a unique opportunity for APQ to acquire a meaningful stake in a company that seeks to profit from and disrupt the wholesale market for telecommunications.

The management team at BARTR Holdings has extensive experience in both the telecoms trading business and in the development of technology / software-based solutions for enterprise efficiency improvements. They are uniquely placed to develop the complimentary businesses, as they have the practical sector specific knowledge, as well as the technology development experience.

The Company has also agreed to acquire a group of trust and corporate service vehicles under the name Palladium Trust Services ("Palladium") for an upfront cost of less than 0.4% of its Book Value. Palladium has a diverse and large client base with significant potential for increasing revenue for both the corporate services business and APQ Global.

There are several macro trends that are supportive to the growth of the global corporate services business. We are witnessing an increase in trade barriers and a "deglobalisation" effect (i.e. Brexit, Trump trade wars). This trend gives rise to a greater need for localised structures to facilitate trade. Secondly, post the global financial crisis there has been an increase in regulatory scrutiny of offshore "tax havens." Regulators also want to see greater substance and presence in the jurisdictions where companies are domiciled.

The corporate services business is going through a consolidation phase as many smaller firms cannot bear the increased cost of compliance and regulation that has been applied by many jurisdictions post the global financial crisis. This creates the opportunity to aggregate a diverse set of corporate services companies that can then be linked to create both economies of scale from a cost base perspective, and increased revenue from cross selling of services across the group, and the broader APQ business.

The acquisition of Palladium is expected to close in the first quarter of 2019.

The Company continues to evaluate various business opportunities with a focus on EM and is in advanced stages of due diligence. 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 2017 through 30 September 2017. 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 £20.09 million. 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.

Estimated results, performance or achievements may differ materially from any actual results, performance or achievements. No person has authority to give any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this release, and all liability therefore is expressly disclaimed. Accordingly, none of the Company, the Corporate Services Provider or any of its/their respective members, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any loss, howsoever arising, from the use of this release. Except as required by applicable law, the Company expressly disclaims any obligations to update or revise the above estimates to reflect any change in expectations, new information, subsequent events or otherwise.