

## Introduction

At the end of 2016, the Company's funds raised at the time of the IPO were fully deployed, with the exception of approximately 10% of the book value reserved in cash for collateral and working capital purposes.

Overall, the risk exposure of the Company was kept low going into the US Presidential elections, which has served the Company well. Emerging markets had a challenging time with the global emerging markets equity ETF (EEM US) down 5.73% and the emerging markets corporate bond ETF (CEMB US) down 3.14% from the time of the IPO in August 2016 until year-end. Emerging market currencies in general during this period were caught up in the updraft of the US Dollar and posted significant losses as a result.

Despite the modest risk positioning, the Company is on track to meet its target annual dividend yield of 6% (based on the issue price) and has declared its first quarterly dividend for the Company's first quarter to 31 December 2016.

## Liquid Markets Portfolio

As at the end of 2016, the Company's top 10 equity holdings in the liquid markets portfolio were:

### Equity Exposure: Top 10 Holdings (% of book value)

iPATH S&P 500 VIX Short-Term Futures ETN	9.0%
Russian Depository Index USD	5.7%
iShares MSCI Emerging Markets ETF	5.5%
iShares MSCI India ETF	4.2%
City of London Investment Group PLC	2.8%
Gazprom PJSC	1.6%
Vale SA	1.5%
Glencore PLC	1.3%
MMC Norilsk Nickel PJSC	1.1%
Rosneft Oil Co PJSC	0.9%

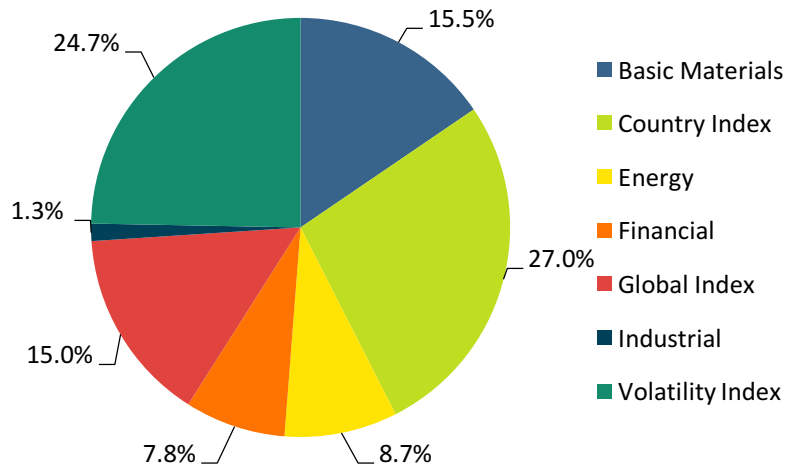
The Company's overall equity exposure is 36.6% of book value. The largest emerging markets equity positions are concentrated in Russia, India and Brazil. The driver behind the Russia exposure is a bullish view on commodities and a view that relations between Russia and the United States will gradually improve under the Trump Presidency. In India, APQ Global sees significant value after the demonetisation debacle. The Company believes that the effect of this event is petering out in early 2017 and fully reflected in current pricing. The Company also holds a view that Brazil will continue to politically and economically a the corner in 2017. The management team expect the Brazilian Central Bank will cut rates by 2.5% in 2017, to provide a boost to the currency and the equity markets. From a sector perspective, the bulk of the Company's exposure is in energy, industrials and financials, taking into account the sector composition of index exposure in Russia, India and global emerging markets.

## 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	Channel Islands Securities Exchange London Stock Exchange - AIM
Currency	£ Sterling
Market Cap.	Appr. £81m
Book Value Per Share	99.20p*
Dividend	The Company is targeting an initial annualised dividend yield of 6 per cent based on the issue price
Nominated Adviser and Broker	N+1 Singer Advisory LLP
Principal Banker	Barclays Bank NatWest
Legal Advisors	Stephenson Harwood LLP Mourant Ozannes
Company Secretary	Active Services (Guernsey) Limited
Auditors	Ernst & Young LLP
Registrar	Capita Registrars (Guernsey) Limited

\*As at 30 December 2016, please refer to the Important Notice at the end of this document

### Equity Exposure by Sector



The Company has maintained a large structural hedge through a long volatility position of 9% of the book value (using iPath S&P 500 VIX Short Term Futures, VXX US). While this has been costly following the US presidential elections, the Board believes it is a prudent position to hold going into 2017.

The Company's credit book has grown to 35% of the book value. The portfolio is well diversified and the largest position is Vimpelcom, accounting for 1.8% of book value.

#### Credit Exposure: Top 10 Holdings (% of book value)

VIP 7.5043 03/01/22	1.8%
VTB 6.95 10/17/22	1.7%
SIBNEF 6 11/27/23	1.7%
ESKOM 5 3/4 01/26/21	1.6%
SBERRU 5 1/4 05/23/23	1.6%
AVALCB 4 3/4 09/26/22	1.6%
TCELLT 5 3/4 10/15/25	1.6%
PEMEX 4 7/8 01/18/24	1.6%
NGERIA 6 3/8 07/12/23	1.6%
HALKBK 5 07/13/21	1.5%

### Corporate Overview

APQ Global (Ticker: APQ LN) is an emerging markets growth 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 will manage a liquid markets portfolio of bonds, equities and currencies with a focus on global emerging markets.

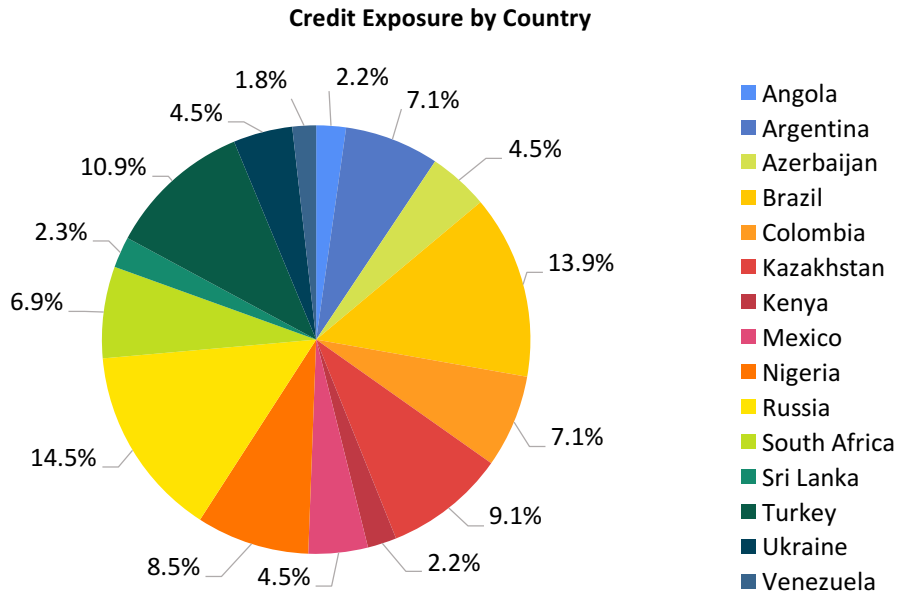
The Company will also build a portfolio of strategic stakes in emerging markets focused companies at an equity or debt level. In doing so, it aims to be a constructive stakeholder to the management of those companies within the context of a multi-year investment horizon.

The Company plans to, selectively, acquire management control in emerging markets focused companies with the aim of generating sustainable cash distributions and long-term growth for the Company's shareholders.

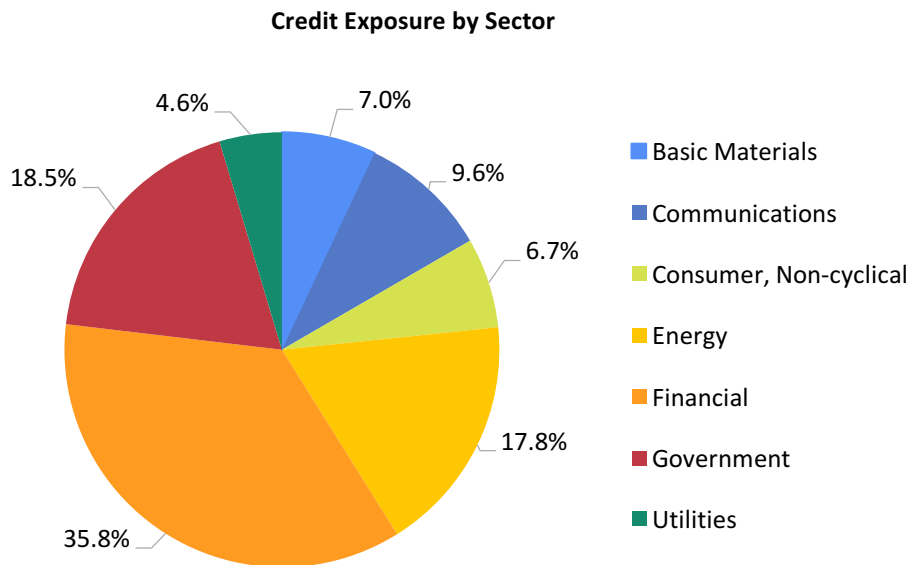
### APQ GLOBAL

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Geographically, the credit portfolio is also well diversified with the largest positions concentrated in Russia (14.5% of book value) and Brazil (13.9% of book value):



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



As at 31 December 2016, the Company has no meaningful direct currency exposure beyond the levels in its equity portfolio. For most of the last quarter, the Company has held a large and successful funding position in the Japanese Yen (representing 26% of book value) and has held a short position of 9.4% of book value in the Russian Ruble as a hedge against equity exposure in the country.

### Strategic Investment Portfolio

The Company has successfully exited its position in Charlemagne Capital in December (which had represented 2.4% of book value), generating a ROI of around 40%.

In addition, the Company has increased its investment in City of London Investment Group ('CLIG') to a holding that represents 2.9% of book value, taking advantage of the recent share price weakness. We believe that the outlook for the emerging markets equity asset class, the prudent management and an attractive dividend yield bode well for the CLIG stock price.

The Company also holds 2.9% and 3.9% respectively in two publicly listed emerging markets debt funds (EMD US and EDD US). Both funds trade at appealing discounts and have high dividend yields in excess of 8%.

### Direct Investment Portfolio

The Company is currently evaluating various business opportunities with a focus on emerging markets which are at various stages of due diligence and will update Shareholders in due course on its progress.

### 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 October 2016 through 16 January 2017. The term 'book value' herein includes the assets of APQ Global and its subsidiaries net of any liabilities. This figure takes account of the costs of the Company's admission to listing on the CSE and to trading on AIM which are being amortised monthly over the Company's first accounting period. 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. 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.