

COMPANY INFORMATION

Q Capital AG (www.qcapital.ch) is a listed Swiss investment-AG aiming to generate a sustainable long-term performance with a target return of 7-12 % p.a. It has an absolute return driven investment style and invests in private and public equities, bonds, real estate, currencies and in other managers. Base currency is EUR.

The shares are quoted on the Bern Stock Exchange (www.berne-x.com) under the ticker QCAP SW.

Q Capital is part of and an investment company of Q-ADVISERS GROUP (www.q-advisers.com).

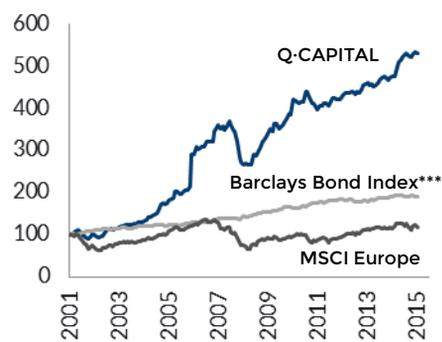
PRODUCT DETAILS

Domicile	Switzerland
Management Fee	1.68% net
Success Fee	20% (High Water Mark)
Hurdle rate	5% Net-Min. Return
Investment Advisor	QIMA Ltd
Website	www.qcapital.ch
ISIN	CH0017855088
WKN	1785508
SE Ticker	QCAP SW
NAV (30.06.16)	EUR 25.47
Annualized return	12.20%
Austrian Tax Rep	Deloitte
Risk Manager	Rodex Risk Advisers

TOP POSITIONS

C-Quadrat AG	20.74%
Informica Real Invest	10.39%
Prenzlauer Gotlandhof	8.49%
QCV MLU GmbH	5.34%
UCP Chemicals	3.61%

PERFORMANCE CHART



PERFORMANCE TABLE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	-3.5	-2.8	0.3	2.9	9.1	4.2	0.9	1.4	-0.5	1.5	-0.4	2.6	16.26%
2004	2.8	1.4	1.2	-0.0	0.1	1.0	0.4	-0.3	2.8	0.6	0.5	1.8	13.10%
2005	2.3	4.7	1.0	0.5	2.4	2.6	4.5	9.7	1.5	-2.6	3.2	2.0	36.26%
2006	2.4	1.4	8.3	0.6	-3.0	-0.5	2.7	1.7	0.6	4.4	35.4	0.1	62.20%
2007	6.1	-1.8	1.0	0.6	-0.2	4.6	-0.2	0.0	0.3	7.5	2.6	1.1	23.16%
2008	-2.1	1.5	-2.2	2.6	3.1	-2.3	-3.4	-0.8	-6.9	-11.4	-4.0	-3.2	-26.24%
2009	1.5	-0.8	0.2	5.1	3.2	-0.9	1.8	4.2	5.0	1.4	2.6	1.8	27.77%
2010	4.0	-1.7	4.9	0.3	-3.6	1.0	1.6	1.4	3.0	3.1	-1.1	10.0	24.68%
2011	-0.6	-0.9	-1.2	1.3	-0.3	5.9	-0.1	-3.3	-3.2	0.4	-2.2	-1.5	-5.95%
2012	2.2	0.4	0.8	0.0	-1.2	1.8	2.6	-0.3	-0.3	-0.4	0.1	2.1	8.12%
2013	1.5	-0.0	0.3	0.3	0.2	-1.1	1.0	-0.7	1.8	2.1	1.0	0.4	7.15%
2014	-1.1	0.8	-1.2	0.5	0.9	1.7	1.1	0.5	-0.6	-0.9	1.3	0.2	3.31%
2015	0.4	2.5	4.4	1.1	1.2	1.4	0.2	-1.0	-0.5	1.2	0.9	-0.2	12.04%
2016	-2.0	-0.5	1.3	0.1	0.0	1.0	0.6E						0.51%

*Cash, currencies and cash equivalent ***Barclays Aggregate Bond Index (EUR) ***Monthly NAVs are calculated in EUR net of all fees, MTD performance estimate as of July 22

MANAGER COMMENTARY

Q Capital AG returned -0.08% net in H1 2016. The NAV (EUR) stood at EUR 25.47 per share vs EUR 25.49 as per 31 Dec 2015. The bond market returned +5.32% and equities -5.93% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

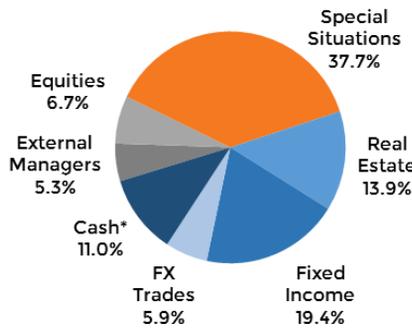
PORTFOLIO COMMENT AND ADJUSTMENTS

Financial markets had a difficult first half of 2016 with all major asset classes trading in the negative territory. After severe worries over Chinese growth and European Banks. "BREXIT" took over negative headlines. On the other side, the oil price seemed to have seen its lows and EM Markets and High Yield Bonds recovered nicely.

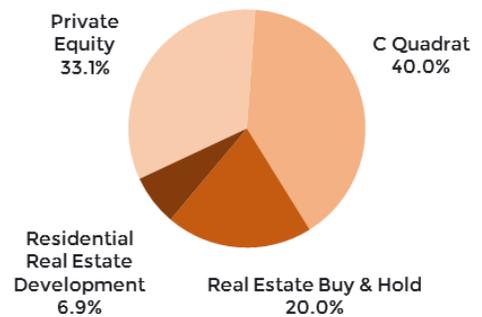
Despite negative circumstances, Q Capital 2016 performance was flat in the first half year. Losses in some equities were paired by income driven by gains in the fixed income high yield portfolio. We added position in Cameroon, Ghana and Greece at good entry levels. On top dividends and gains of the "PE & Special Situations" (38%) portfolio contributed. Our biggest portfolio holding C2 (21%) paid record dividends. In the area of real estate, our project to build 137 flats in Berlin runs well. 1/4 of the flats were sold in H1 2016, construction started. Informica (residential) made a milestone achievement in one of their major properties and will return cash in August again. Valuations of these holdings are unchanged vs the year end.

In the investment category Q Capital Ventures ("QVC" - here we focus on our smaller private equity and start-up investments), there were a few smaller mini-investments and a neutral partial sale of some shares in the environmental tech company MLU. Influence on performance in 1 HY was minor. Currently, QCV constitutes less than 9% of Q Capital but will grow its holding to 15% when investment in C2 is smaller. From the External Managers Oaks performed really well driven by its exposure in Iran. We added to Pomegranate, our smaller investment in Iranian PE Fund - performing well. Cash levels were high at mid-year.

ASSET ALLOCATION

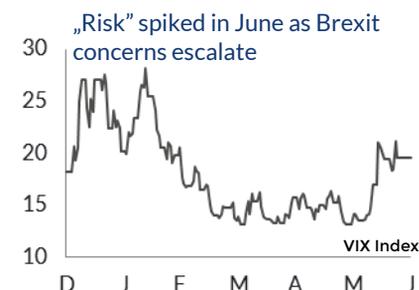
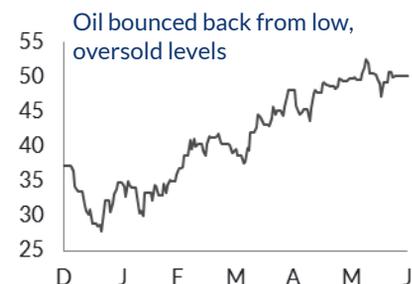
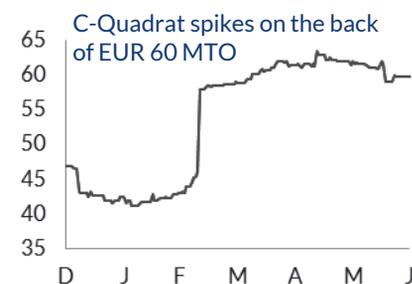


SPECIAL SITUATIONS



MANAGER OUTLOOK

It looks as the market had been so oversold in the first half year that even horror numbers of Italian banks badly needing capital could not stop a major and fast rebound. Nobody seems really invested and risk levels seem really low. So better than expected US economy is pulling world asset prices upwards, at least for the summer - until a major shock appears. We will continue to concentrate on our successful Private Equity and Special Situations portfolio positions in 2 HY. With a major exit close this should be a major topic of 2016 and the main performance driver.



MAJOR HOLDINGS AND CHANGES IN H1 2016

Cash / USD (11.0% from 18.8%) The net long USD exposure was reduced to 3.5% on the back of mixed signals towards the Fed rate hike decisions.

Bonds and Private Loans (19.5%) We grew the fixed income portfolio with the view to generate yield. Sovereign bonds in **Ghana 2030** (YTM 9.7%, 40% guaranteed by IDA) and **Cameroon 2015** (YTM 9.0%) were added, both trade around par. More opportunistically, we also added a holding in **10Y GGBs** (YTM 7.8%). The private loan in “**Hauptstrasse**” (YTM 8.0%) settled the annual coupon and was extended by another year with same terms.

Equities Long (6.7% from 13.3%) We started the year with a rather aggressive equity exposure in blue chip consumer names we know well (**BMW, Apple, Disney, Starbucks**) and subsequently grew more cautious given the growing uncertainty about future Fed actions, Brexit risk and Chinese slowdown. We traded opportunistically in Russian GDRs (**Sberbank, Rosneft, Norilsk**). We made respectable gains in **AT&S**, Polish debt collector **Kruk** and **Facebook**. We reduced our long-term position **DO&CO** following record prices of the stock.

SPECIAL SITUATIONS STRATEGIC EQUITY INVESTMENTS (37.9% of NAV)

This section has always been the main driver of the portfolio performance. We have either substantial holdings and/or strong positions in the companies, partly with specific board seats or management control rights. Position should be around 40% of the portfolio.

C-Quadrat (20.7%, board-seat for Q Capital AG, 2.3% of the company). There is a big development in our core holding C2. Firstly, a record dividend of EUR 4 per share was paid in June. Secondly, a consortium of the majority owners including Q Capital took out the 25.1% stake of German Talanx at price of EUR 42. Later a public bid for the free float of EUR 60 was announced. As we are clear insiders in this transaction we cannot really comment on this further. What we can say is that we stick to our plan to reduce our holding over time to a more reasonable position of ca 10% of NAV. The position has grown to its current size due to excellent performance of the company and the stock. We value C2 at EUR 42.00, the last traded price and price of Talanx take out level. First Quarter results were weak.

Private Equity & Markets

QC Ventures and QCV Diversified (3.5%) constitute the Q-ADVISERS Group's investment platform in the area of start-up and venture capital. First smaller investments in **PowerCigs** (E-cigarette company), **Digital Sputnik** (Film industry led lights producer) and **Tablet Solutions** (Software solutions for field workers) have been made.

QCV MLU GmbH UIAG Holding (5.3%). Q Capital reduced its stake in the venture by 15% by selling part of its stake to a partner private entrepreneur at our cost level. Subsequently, we hold now 25% of the company.

UCP Chemicals (3.6%). Although the Russian macro environment remains challenging and volatile, UCP's financial performance has been steadily improving over the first 4M 2016 with the EBITDA margin increasing to 10%. This is largely due to stronger focus on more specialized products. Company will pay a dividend of 8c in December. We managed to buy a smaller block of shares at a very attractive price increasing the total position size to 3.6%.

Real Estate Investments & Developments

Informica Real Invest AG (10.4%, board seat for Q Capital AG; 14.7% of the company) currently owns 16 properties with a total of 405 units (343 residential und 62 commercial). The Tricyan Tower building permit lawsuit is completed and validated as no one appealed the initial court ruling. This is particularly encouraging and lets us proceed further.

“**Prenzlauer Gotlandhof Berlin**” (3.6%, 11.25 % of the company). The construction has started and first pre-sales of 30 flats have going according to plan. We are optimistic for the successful completion of the project until the end of H1 2018. The investment consists of equity of 11.25% of the project and a partly guaranteed loan of EUR 1m at 5.7% interest.

INVESTMENTS IN OTHER MANAGERS (5.3% FROM 9.5%)

Oaks Global Opps Fund weathered the choppy H1 markets particularly well while **Petrus** benefited from a takeout bid for its largest position in Vienna Airport. We redeemed the investment in **Odey Orion** as the fund shut down.

Traditionally, we returned management fees paid to third party managers over H1 2016 to avoid “double fees” or costs.