

COMPANY INFORMATION

Q·Capital AG (www.qcapital.ch) is a listed Swiss holding company aiming to generate a sustainable long-term capital appreciation with a target return of 7-12 % p.a. It invests in private and public equity, bonds, loans, real estate, currencies and in other managers. It is not restricted by a defined investment strategy. 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 the Q·ADVISERS network (www.q-advisers.com).

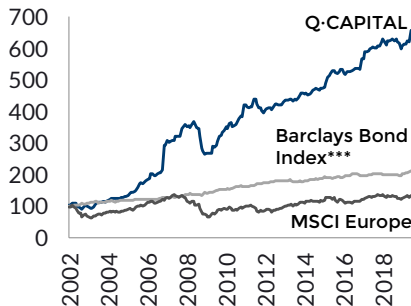
PRODUCT DETAILS

Domicile	Switzerland
External expenses	1.68% net
Success-based expenses (up to)	20% (HWM)
Hurdle rate	5% Net-Min. Return
Investment Advisor	QINO Group Services
Website	www.qcapital.ch
ISIN	CH0017855088
WKN	1785508
SE Ticker	QCAP SW
NAV (30.06.19)	EUR 30.25
Annualized return	11.3%
Risk Manager	QC·Partners, Frankfurt

TOP HOLDINGS

Informica Real Invest	15.7%
UCP Chemicals	7.3%
DO & CO	4.3%

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	0.5	0.4	0.0	0.0	-0.2	6.4	6.72%
2017	-0.3	3.8	0.1	0.7	1.1	0.4	0.4	-0.3	-0.1	0.7	0.1	2.4	9.39%
2018	1.6	-1.7	-1.4	1.8	0.0	0.6	0.4	-0.9	1.1	-1.7	-0.4	-2.9	-3.63%
2019	1.7	0.7	0.2	1.3	-0.6	6.0							9.68%

*Cash, cash equivalents and treasury shares | **including 3rd party managed Equity Funds | ***Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees

ADVISOR COMMENTARY

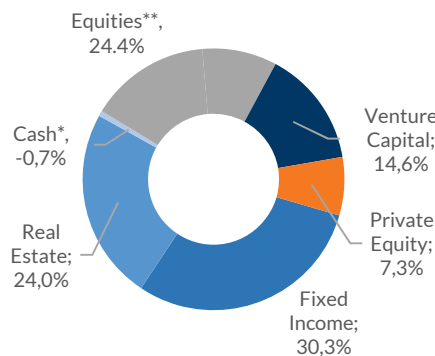
Q·Capital AG returned +9.68% net in H1 2019. The NAV (EUR) stood at EUR 30.25 per share vs 27.58 as per 31 Dec 2018. The bond market increased by 6.1% while equities gained 13.5% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

The new year has brought with it a new wave of optimism, with equities and credit rallying strongly across the world. In many ways, the weakness in Q4 2018 set the stage for the recovery in equity markets this year. Confronted by market weakness, vulnerable global growth, risks to the trade outlook and still low inflation, the Fed and the ECB took a dovish stance and indicated that the cavalry is coming in the form of further monetary stimulus. So bad economic news was good news for markets.

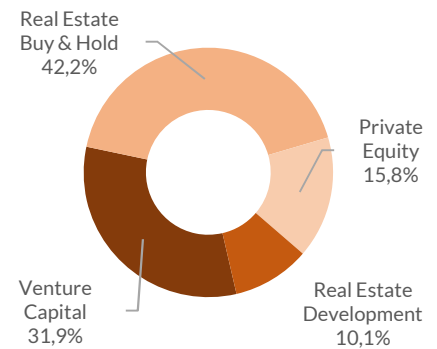
Q·Capital had a very solid start into 2019 led by Real Estate, Bonds and Equities. The sale of Informica’s jewel – Berlin’s Hauptstrasse property – was the biggest highlight as the company’s hefty profit generated on the transaction contributed nearly half of the Q·Capital’s YTD performance. Bonds bounced back strongly with the FI portfolio returning 13.8% in 6M. The equity allocation grew with high dividend Russian holdings like Gazprom, Norilsk or Sberbank. DO&CO was a stellar performer having secured the Turkish contract.

Within Real estate, we exited the Prenzlauer Gotlandhof project and reinvested a large part of the profits into a new residential and commercial development in Ljubljana, Slovenia (IRR 18%+). We also built positions in listed RE (UBM, WXF, S-Immo). Venture Capital has shown some exiting and some disastrous results - typical for the asset class. Overall it has been neutral.

ASSET BREAKDOWN



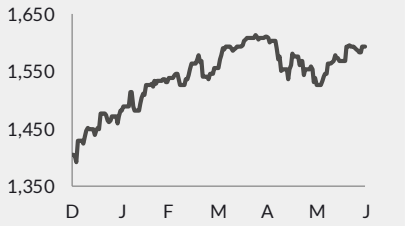
PRIVATE EQUITY HOLDINGS



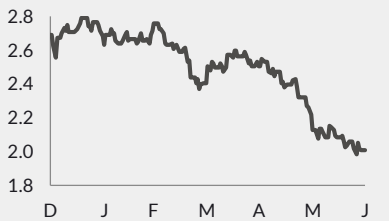
ADVISOR OUTLOOK

The market has been willing to ignore the bad economic data in the hope that central bank stimulus will help avoid a recession. If the data remains weak, delivery of the hoped for stimulus seems highly likely. Whether the stimulus will be enough to extend what is now the longest economic expansion in history, only time will tell. We are happy with the current portfolio positioning and proportions. We are cautiously optimistic for the rest of the year and naturally continue to search for new compelling investment opportunities.

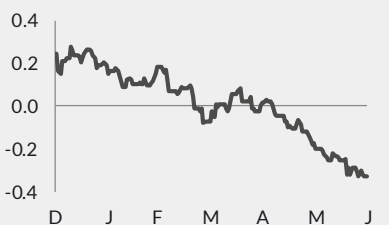
European Equities rallied 13.5% in H1 2019



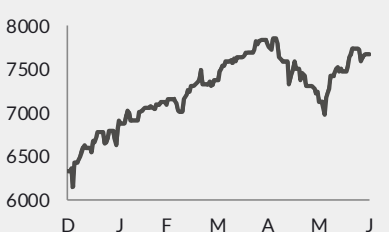
US 10Y Treasuries slumped by 70bps on Fed's dovish tone



German 10Y yields at record low negative levels at -0.33%



NASDAQ 100 bounced back by 21%!



Crude rallied by 29% on Iranian sanctions + OPEC production cuts



„Risk“ more than halved from Dec peaks to just 15%



MAJOR HOLDINGS AND CHANGES IN H1 2019

Cash & equivalents / USD (-0.7% from 17.4%) Portfolio is now fully invested as we deployed non yielding cash into broad equities, new Fixed Income and Real Estate ideas. The net long USD exposure stands at 10.8% long. Treasury shares (2.3% of NAV) were sold to existing shareholders in a book building process towards the end of June.

Bonds and Private Loans (30.3% from 22.0%) US 10Y Treasury yields slumped to 2.0% after it became clear that the rate hike cycle is over and the next likely Fed move is a cut. Bonds rallied with the average bond performance at a solid +13.8%. We extended the portfolio with the Norwegian Oil & Gas **DNO 2024** (YTM 8.3%), **Bank of Georgia Perpetual** (YTM 10.3%) as well as **Piraeus Group 2029** (YTM 9.9%) – first Greek bank new issue in at least 5 years. Current portfolio generates ca. 215bps of coupon income per year. Average portfolio YTM stands at 7.1% with average maturity of 6 years.

Equities (including External Managers 9.4 % | Equities 15.1 %) (24.4% from 16.0%) 2019 started with a new wave of fresh optimism as US China tensions subsided and Fed reiterated patience in interest rate moves eventually taking a dovish stance. We deployed cash into equities with a bold move to undervalued and high yielding Russian equities such as **Sberbank** (+34%) or **Gazprom** (+19%). We increased our favourite position in **DO&CO**, which secured a LT contract with Turkish and is looking to bid for Lufthansa’s catering assets. We also traded more opportunistically in **AMS**, **Wirecard** as well as the **US Tech Bluechips** like Spotify, Netflix. We sold **Amrest** as the key founder and shareholder exited the business.

Third party managers bounced from their 2018 lows. **Mozart One** (+13%) added most followed by **Oaks Global Opps Fund** (+6.4%) and **Petrus** (+9.1%). We parked some cash with **QCP’s Volatility Income Fund**.

Main Private Shareholdings (45.9% 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 45% of the portfolio.

UCP Chemicals AG (7.3%, board seat for Q·Capital AG, 7.2% of the company). The 4M performance proved solid with profitability levels hitting 12.4% EBITDA margins following the measures introduced last year. 4M turnover was stable but shifted towards a higher value-added product mix compared. Company also pays a EUR 0.17 dividend for last year which translates into a dividend yield of 10%.

QC· VENTURES (QCV)*

OCV kissyo (3.9%) fresh five premiumfood GmbH is on track after the first 8 months of its fiscal year towards an ambitious goal of EUR 4m in total revenues for FY 2019 (ca. +70%). Accumulated turnover reached the EUR 2.5m mark in June of which the KISSYO line accounted for 49%. **QCV Urban Foods (1.1%)** is clearly outperforming expectations as revenues are 35% over plan (EUR 277K in Q1 2019) and the company is profitable on an EBITDA level sooner than expected. This means the company now can evaluate several different strategic options to further accelerate its growth trajectory. **QCV Braintribe (2.2%)** continues to be in a difficult situation. A current restructuring is on the way and we are still optimistic to get at least our money back.

Real Estate Investments & Developments

Informica Real Invest AG (15.7%, board seat for Q·Capital AG; 15.3% of the company) was the highlight of H1 2019 as the company sold its Berlin Hauptstrasse property generating a pre-tax profit of over EUR 9.2m, which translated to EUR 1 per share net addition to the NAV. The transaction generated nearly half of Q·Capital’s 2019 YTD result. As per H1 2019, the company holds 15 properties with a total area of 35.923 m² (19.912 m² residential and 16.011 m² commercial) or 419 units yielding ca. 6.5%.

„Prenzlauer Gotlandhof Berlin“ (0.2%, 12.5% of the company). We exited the investment nearly in full having multiplied our money by 8.4x in 6 years. 95% of the cash was distributed by a tax efficient capital distribution.

QBell Beteiligung and Funding GmbH (3.5%) is a new development project of Bellevue Center – a commercial-residential complex situated in Spodnja Šiška in Ljubljana, Slovenia. The financing is split 50:50 between mezzanine and equity. Q·Capital reinvested EUR 850k of the PG sale proceeds into this project with an estimated IRR of 18.8%.

Listed Real Estate (3.7%) We added **UBM** (5.7% DY) and **Warimpex** (4.5% DY) – both solid prospects with stable dividend income flow. We sold **S-Immo** with a 30% profit.

*SPVs of QC·VENTURES