

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).

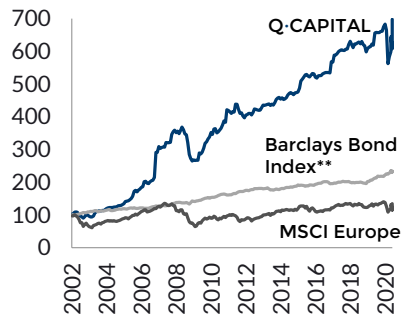
PRODUCT DETAILS

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 (31.12.20)	EUR 32.24 (E)
Annualized return	10.8%
Risk Manager	QC·Partners, Frankfurt

TOP HOLDINGS

Informica Real Invest	12.2%
UCP Chemicals	8.7%
QCV Diversified	6.3%

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	0.3	-0.1	-0.1	0.6	0.0	2.1	12.84%
2020	1.2	-2.6	-15.4	3.8	2.6	1.4	1.4	1.8	-1.3	-0.9	5.1	8.6	3.60%

*Cash, cash equivalents and treasury shares | ** Equities comprise of 35.9% Stocks and 16.3% PE | ***Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees

ADVISOR COMMENTARY

After a turbulent year driven by COVID-19 Q·Capital AG finally returned +3.60% net. The NAV (EUR) stood at EUR 32.24 per share vs EUR 31.12 as per 31 Dec 2019. The bond market increased by 7.3% while equities declined by 3.4% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

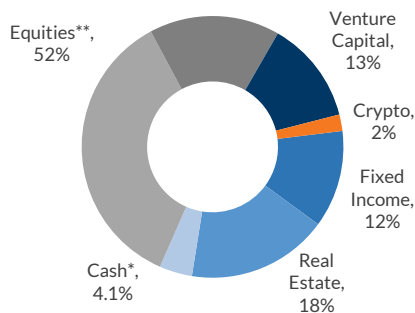
The year 2020 has been like no other. The global lockdown during the first wave of the COVID-19 pandemic triggered the strongest economic contraction in modern history. For the first time since 2009, the global economy looks set to contract by ca. 3.8%. Policymakers mandated unprecedented mobility restrictions in an attempt to slow the spread of the virus but also approved over USD 12tr in fiscal stimulus measures to help cushion the blow to individuals and businesses.

Accommodative monetary policy contributed to record-low yields. USD 17tr of bonds now have negative yields. In equities we witnessed historically volatile markets and the fastest bear market on record. The combination of monetary and fiscal stimulus helped mitigate the initial shock of the pandemic, and led to a record-breaking rebound, especially in Technology Shares.

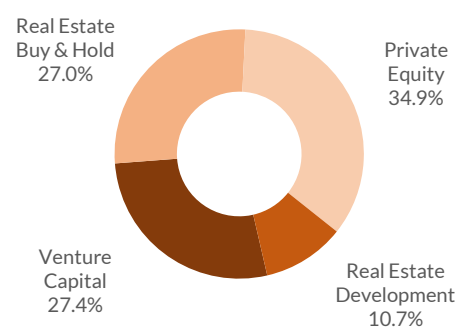
REVIEW OF THE SECOND HALF OF THE YEAR

Equities were the key word in H2 2020 and our thematically driven approach to trading the recovery proved effective. Alongside big tech, we entered heavily into ESG/Green theme and E-Cars in Q4 followed by Retail, Oil and Financial names as the growth to value trade accelerated. Credit also recovered and we stepped back in, although cautiously. ATAI Life Sciences is preparing its US debut in Q1 2021 and outshined other VC-investments, which performed rather poor in the crisis. We built small crypto exposure in summer as the asset class seems to get established. Real estate investments (Informica, Q Bell) performed average. In Private Equity we successfully closed the long negotiated investment in Vapiano.

ASSET BREAKDOWN



PRIVATE EQUITY HOLDINGS



ADVISOR OUTLOOK

Crises often become a transformative force. Some 2020 developments and habits will prevail long after the crisis is over. We will see a world steadily returning to normal, despite continued uncertainty, while also rapidly accelerating into a transformed technological future. We think 2021 will be about flow and going cyclical as the sectors and markets most heavily affected by lockdowns start to revive. We expect the wide-scale rollout of a vaccine in the H1 2021 to enable global output and corporate earnings to return to pre-pandemic highs by 2022.

MAJOR HOLDINGS AND CHANGES IN H2 2020

Cash & equivalents / USD (4.1% from 22.4%) Throughout H2 we were gradually increasing net long market exposure largely through equities and consequently reduced our cash levels. Our USD exposure was mainly hedged.

Bonds (12.1% from 1.7%) We entered new positions in state-backed **Lufthansa 2075** (YTM 4.8%) as well as Perpetuals of the Austrian fibre producer **Lenzing** (YTM 5.1%) and commodity trading firm **Trafigura** (YTM 7.1%). We also doubled our **CBank of Moscow** Perpetual and **DNO 2024** as oil prices started to recover. DTEK Renewables was sold. Average portfolio YTM stands at 9.8% with average maturity of 14 years.

Equities (35.9% from 23.0%) It has been a very profitable and active year and we executed over 1300 trades having actively adjusted to the many-changing market conditions in the crisis. With hedging and trading, performance of Q·CAPITAL hit a low of minus 17% in March 2020 (vs minus over 35% in the S&P). We went “full steam ahead” after the US election, which resulted in two very strong months and moved the year all the way into black (plus 3.6%).

In March we started trading the markets more thematically. While maintaining a sizable exposure to well fairing **Technology names** (Apple, Microsoft, Amazon, Paypal) we also built a significant exposure to **Green and ESG stocks** represented by Clean Energy and Solar ETFs along with wind turbine manufacturers. With the announcement of vaccines in November we stepped into the most impacted **commodity names** (Gazprom, Lukoil, PBR, OMV and BP). We also researched the ever-growing **Electric Cars theme** (both manufacturers and OEMs) and built a sizable exposure. Lastly, we moved into some **financials** (Citibank, ETFs, Sberbank).

Crypto (2.0%) We believe another institutionally-led bull market in cryptocurrencies is just starting. We hold some BTC and ETH since summer, traded a bit around it and we think we will capitalize on its further growth in 2021 as more institutional money steps in this sphere.

Main Private Shareholdings (46.7% of NAV)

This section has always been the main driver of the portfolio performance. We have either substantial holdings and/or strong board positions in the companies

UCP Chemicals AG (8.7%, board seat for Q·Capital AG, 7.3% of the company). Despite stagnating market environment and some customers forced to hold production due to Covid, the reduction in sales could be outweighed by a strong increase in margins driven by lower raw material price levels. Strong RUB devaluation was a headwind for EUR results but overall despite a fall in 9M 2020 Sales at EUR 44m (-19.6% YoY), EBITDA (EUR 7.6m) and Net Result (EUR 4.6m) stood nearly above levels as last year. Company grows successfully via JVs.

QC· VENTURES (QCV)* - main SPVs

QCV Kissyo (4.1%) Despite a challenging COVID summer 2020, Kissyo demonstrated strong resilience, strong management and increased revenues yoy by over 20% to EUR 4.5mn. The company however received a big blow in DEMETER license partner, dairy producer Schrotzberger ending its 8-year business relationship. Schrotzberger becomes now a competitor, law suites will follow. Therefore we value KISSYO currently only at the level of the last round despite clearly higher revenues. The company is currently assessing new options.

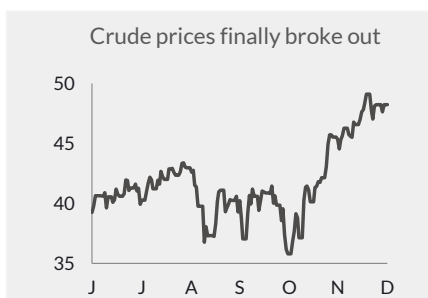
QCV Life Sciences (4.4%) is proving to be one of the most successful investments among QCVs as ATAI Life Sciences is preparing for a Nasdaq IPO in Q1 2021 having just completed its C Series issue priced at EUR 75. We topped up slightly with Series C, exercised the convertible and now hold a sizable position awaiting US debut. One of ATAI's portfolio jewels, Compass Pathways, IPOed in September this year and already tripled reaching a USD 1.9bn valuation. **Rejuveron** has raised a successful round in November where we also participated.

QCV Main (1.6%) and QCV Diversified (6.3%) Because of ongoing challenges and delays within the QCVM portfolio due to COVID-19, we revaluated our holdings within the face of revenue gaps. Highlight was Speedinvest which, after a successful round with the top holding TIER, has distributed capital and increased guidance. The **QCV Diversified** portfolio is still considerably affected by the pandemic with a few outliers. PrimeCrowd has seen a sharp increase in revenue in Q4 with increasing guidance for 2021. Regarding the rest of the portfolio, we continue to act prudently to reflect the ongoing partly Covid-19 based setbacks.

REAL ESTATE (17.6%)

Informica Real Invest AG (12.2%, board seat; 14.0% of the company) continues to optimize its 16 properties with 444 residential and commercial units totalling n 36,872 m² of rented space. Company's NAV stands above EUR 4.00, which we adjust with a discount.

QBELL (3.8%) received the awaited construction permit and now works on bank financing and a smaller legal dispute with one of the former land owners. We also invested a small ticket into **Amethyst Fund**, a Hotel Recovery story.



*SPVs of QC·VENTURES