

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).

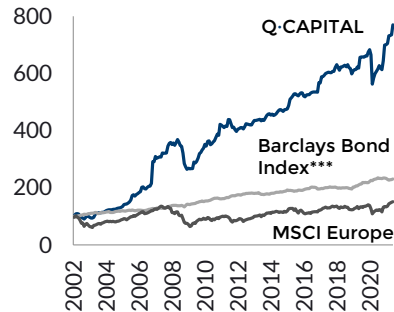
PRODUCT DETAILS

Domicile	Switzerland
External expenses	1.68% net
Success-based expenses (up to)	20% (HWM)
Hurdle rate	3% Net-Min. Return
Investment Advisor	QINO Group Services
Website	www.qcapital.ch
ISIN	CH0017855088
WKN	1785508
SE Ticker	QCAP SW
NAV (30.06.21)	EUR 35.42
Annualized return	11.0%
Risk Manager	QC·Partners, Frankfurt

TOP HOLDINGS

ATAI Life Sciences	10.7%
Informica Real Invest	10.6%
UCP Chemicals	7.9%

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%
2021	0.2	0.6	3.8	0.2	0.3	4.5							9.86%

*Cash, cash equivalents and treasury shares | ** Equities comprise of 36.1% Stocks and 12.0% PE | ***Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees

ADVISOR COMMENTARY

Q·Capital AG started the year well and returned +9.86% net in 1H21. The NAV (EUR) stood at EUR 35.42 per share vs EUR 32.24 as per 31 Dec 2020. The bond market declined 1.6% while equities gained 12.8% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

The first half of the year delivered faster-than-expected vaccine rollouts, bigger-than-expected US fiscal stimulus, higher-than expected inflation, and strong economic and corporate earnings growth. This backdrop drove further gains for equities, as well as higher 10-year US Treasury yields. It also supported the reflation trade, with beneficiaries such as energy and financials outperforming growth sectors that were more vulnerable to higher yields. Nonetheless, we see the equity market rally broadening towards other sectors.

The Fed continues to see the inflation increase as transitory, but it has become slightly more hawkish, acknowledging that tapering is being discussed. The median FOMC participant now expects two rate hikes sometime in 2023, up from no rate hikes just three months ago.

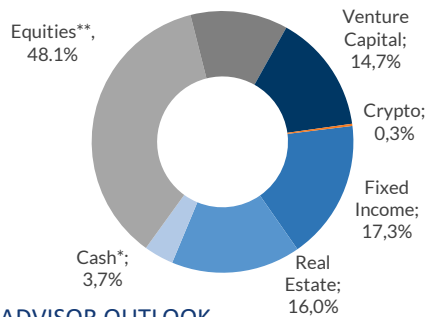
REVIEW OF THE FIRST HALF OF THE YEAR

Equities were again the place to be in H1 2021. We held bluechip tech as Nasdaq trades at ATH level but we also added to US and European financials as well as Energy, which outperformed. We are selective in recovery trades. We sold Autos and ESG plays as fund flows stalled.

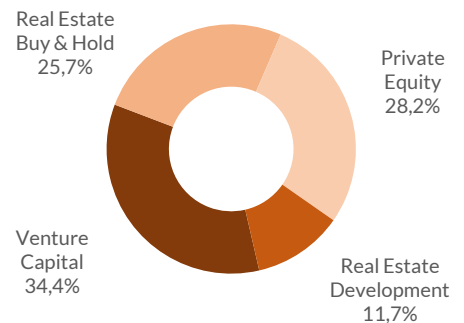
ATAI Life Sciences was singlehandedly the biggest highlight of H1 as the company finally listed on Nasdaq at top end of the range (USD 2.3bn valuation) making us over 4.5x our money.

Real estate investments fared well, especially QBELL, which began construction. UCP Chemicals picked up tonnage volumes and saw strong 4M21 results (15% EBTIDA margin) coupled with a hefty 18% 2021 dividend approved by the AGM.

ASSET BREAKDOWN



PRIVATE EQUITY HOLDINGS



ADVISOR OUTLOOK

We think the outlook for near-term global growth remains strong. As the bounce from consumer spending fades, we expect government and business spending to pick up the baton. While the second half of the year could be bumpier for financial markets, we still expect equity markets to continue their upward path. Inflation worries are likely to contribute to market jitters. Value may continue to gain traction vs Growth if we see the bond yields rise from here.

European Equities gained 12.8% in H1 2021



US 10Y Treasuries continued to be high bid



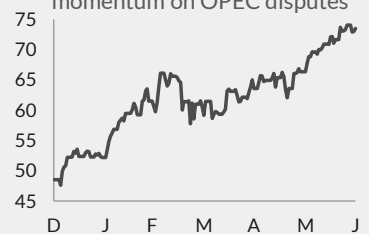
Less negative but still negative German 10Y yields



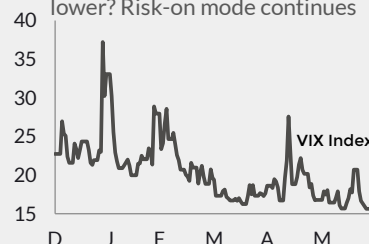
NASDAQ 100 - another ATH to US Tech - too big to fail?



Crude prices +50% gaining strong momentum on OPEC disputes



Can volatility levels be any lower? Risk-on mode continues



MAJOR HOLDINGS AND CHANGES IN H1 2021

Cash & equivalents / USD (3.7% from 4.1%) We were quite fully invested throughout the portfolio with unchanged cash levels. Our USD exposure increased to over 15% at June end but deviated between 0% and 10% during the H1.

Bonds & Private Loans (17.2% from 12.1%) Our fixed income fared well and generated 4.9% return over the course of 1H21. We made a few additions starting with **DO&CO Convertible** (+16% as the bond nearly touches its conversion price). We also added Moldavian agro-industrial holding **Aragvi Finance** (YTM 7.3%) and **BNP 7.2% Perpetual**. We sold the Turkish Global Ports. We also extended one, well secured private loan yielding 2%. Average portfolio YTM stands at 7.1% with average maturity of 13 years.

Equities & Funds (36.1% from 33.4%) Once again it paid to be invested as risk assets saw strong total returns in 1H21 with S&P 500 noting the second best 1H since 1998 (+15.2%). We continued to trade thematically, which allows us to express our view of the world in a structured way. We do however observe the equity rally broadening to new, recovering sectors, especially value.

ATAI Life Sciences (10.7%) has been the single, most important highlight of 1H21. The company listed on Nasdaq at top end of the range priced at USD 2.29bn, which given the fact that our involvement started with Series A priced at USD 55m, makes it one of the most successful investments in our history. Having also bought into Series B, Convertible and Series C, we generated over 4.5x our money. The holding remains locked up till end of the year and we price it at the IPO level of USD 15 per share, below the market level. We shall look into various hedging options to extract maximal value.

We continue to maintain a sizable exposure in well fairing **US tech names** (Apple, Microsoft, Amazon, FB, Tesla) but we also emphasize **Recovery plays** (DO&CO, ZooPlus, US Materials & Industrial ETFs). **Energy** has had a phenomenal run as investments in BP, OMV, Lukoil generated respectable profits. We were also active in pure value plays like **Financials** (US and European ETFs) or single names like Nordea or TCS. The flows into **Green and ESG** stocks slowed and we traded out of our favourite ETFs (ICLN and TAN) as well as sold all **Auto** exposure (BMW, DAI, VOW), which worked well in Q1.

Crypto (0.3%) As we predicted, Q1 2020 saw a tremendous rally in crypto assets. We benefited from direct holdings in **ETH** and **BTC** where we pocketed sizable profits but also made a longer-term investment into Blockchain Capital Fund.

Main Private Shareholdings (42.7% 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 (7.9%, board seat for Q·Capital AG, 7.3% of the company). Company saw a 34% pickup in volume (tn) as of 4M21 translating into EUR 22m of 4M revenue and 3.3m 4M EBITDA (15% margin). UCP also acquired remaining 50% share in the JV UralMethanolGroup, which develops the investment project for a 600 tons/year methanol production plant. AGM also resolved to distribute a hefty EUR 0.39 of dividend per share (18% yield).

QC· VENTURES (QCV)* - main SPVs

QCV Kissyo (2.9%) Schrotzberger line fell out due to legal disputes with the former supplier. Kissyo is now fully focused on a one-brand strategy, with new and existing products introduced in Q2 21. Revenue came in ca, 50% lower yoy as expected, however when adjusted for the Schrotzberger line, the company posted a strong +82% gain yoy. We are actively supporting the team in preparing for a capital increase later this year. Position is valued at cost.

BlueNalu (1.5%) is our new investment in the leading cell-cultured seafood, which is developing a range of lab-grown premium fin-fish (Mahi Mahi, Blue Fin Tuna). The company aims to re-define traditional fish supply and reduce dependency on ocean's natural resources.

TriLite Technologies (0.5%) We exercised our pre-emptive rights to participate in recent Series A raise valued at EUR 18.3mn. TriLite makes the world's smallest, lightest, and most power-efficient ultra-compact display solution for AR glasses.

Re.Mind Capital is new fund (EUR 125m) and will invest into disruptive innovators working towards radical new ideas to improve mental health and global well being.

REAL ESTATE (16.0%)

Informica Real Invest AG (10.6%, board seat; 14.2% 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 (3.9%) We participated in the shareholder loan consortium as the construction got off the ground following the building permit granted towards the end of last year.