

COMPANY INFORMATION

Q·Capital AG ([www.qcapital.ch](http://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](http://www.berne-x.com)) under the ticker QCAP SW. Q·Capital is part of the Q·ADVISERS network ([www.q-advisers.com](http://www.q-advisers.com)).

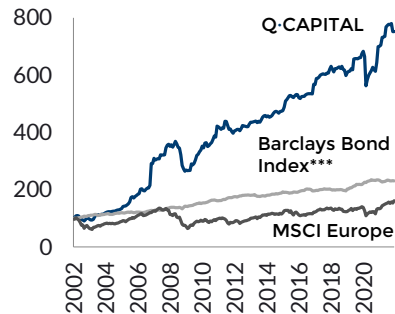
PRODUCT DETAILS

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	<a href="http://www.qcapital.ch">www.qcapital.ch</a>
ISIN	CH0017855088
WKN	1785508
SE Ticker	QCAP SW
NAV (31.12.21)	EUR 34.66
Annualized return	10.6%
Risk Manager	QC·Partners, Frankfurt

TOP HOLDINGS

Informica Real Invest	16.1%
UCP Chemicals	8.1%
McWin Food Ecosystem Fund	4.4%

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	0.6	0.5	-0.2	0.6	-3.6	0.0	7.51%

\*Cash, cash equivalents and treasury shares | \*\* Equities comprise of 19.4% Stocks and 15.8% PE | \*\*\*Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees

ADVISOR COMMENTARY

Q·Capital AG finished the year with a gain of +7.51% net. The NAV (EUR) stood at EUR 34.66 per share vs EUR 32.24 as per 31 Dec 2020. The bond market declined by 1.3% while equities gained 14.1% as per the Barclays Aggregate Bond and MSCI Europe indices, respectively.

Despite a turbulent year, Q·Capital's NAV reached a new all-time high level. Equity performance was supported by a strong rebound in economic growth and continued accommodative fiscal and monetary policies despite inflation rising to multi-decade highs. Despite broadly based gains in equities, the returns of the underlying sectors and industries massively varied.

REVIEW OF THE SECOND HALF OF THE YEAR

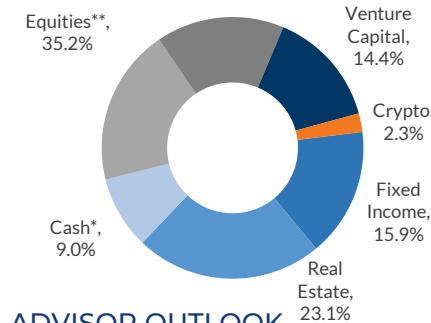
The H2 2021 saw undecided capital flows between growth and value plays. We made good money on technology but began to overweight value plays (financials) as the New Year approached, especially with Fed interest rate hiking plans more clarified. ATAI Life Sciences position was trimmed by over 40% following the expiry of the IPO lockup. Given the successful, partial ATAI exit we plan a share buyback for Q Capital investors in 2022.

In our endeavours for more sustainable future, we built a sizable position in the McWin Ecosystem Fund led by a good friend and partner Henry McGovern. We also made a smaller co-investment in the Every Company - leading egg protein manufacturer.

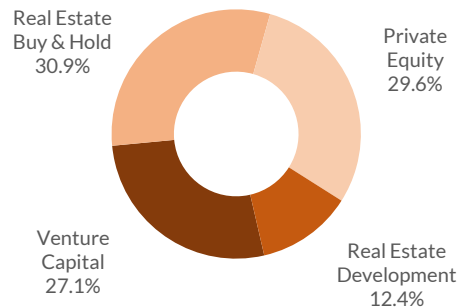
Kissyso reached the absolute low point in December as the full impact from the discontinued Schrotzberger product line became evident in the deteriorating KPIs. The company filed for insolvency resulting in the full write-off in the portfolio.

Real estate investments fared well with Informica posting 2021 estimated NAV at EUR 4.5. UCP paid a sizable 18% dividend.

ASSET BREAKDOWN



PRIVATE EQUITY HOLDINGS



ADVISOR OUTLOOK

As the unprecedented fiscal and monetary policy support starts to fade, fundamentals will dominate more and more. We are looking to overweight value plays but we still think it pays to be invested in quality growth ideas despite all time high levels. Central banks will keep tapering but we think they will remain cautious about the risk of over-tightening. We remain cautiously optimistic given the rising corporate earnings but mindful of the omnipresent Covid risks expressed in the growing set of Greek symbols.

**MAJOR HOLDINGS AND CHANGES IN H2 2021**

**Cash & equivalents / USD (9.0% from 3.7%)** We raised our cash levels to reserve flexibility for the fresh 2022 start. Our USD exposure stands at 10%. We hold 2.7% in treasury shares.

**Bonds & Private Loans (15.9% from 17.2%)** Our FI portfolio gained on average 8.1%. In 2H21, we took profits in Ellaktor, Lenzig and BNP Paribas. We swapped investments in Sovcom (YTM 8%), Credit Bank of Moscow (YTM 8.4%) and Trafigura (7.4%) into new, better yielding issues. We added a holding in Greek fridge producer Frigoglass (11.5%). Average portfolio YTM stands at 7.9% with average maturity of 4.5 years.

**Equities & Funds (19.4% from 36.1%)** Despite the ongoing pandemic, 2021 was a positive year for most global markets with only few exceptions (e.g. China). As markets traded sideways, especially in Q4, few of our growth technology plays (Amazon, Kaspi, Sea, Tesla) hit the stop loss levels that we were gradually increasing. We remain invested in strong stories of Apple, Microsoft and Meta Platforms (FB). As Nasdaq hovers around 16,500, we tactically hedge our tech exposure with Nasdaq Futures or Put Spreads. With a strong Fed rate guidance, clouds over Financials are clearing and we built a sizable 6.5% allocation in European and US Banks (Citigroup, Nordea, UniCredit, Addiko as well as US Financials ETF). We took good profits in Energy plays (Gazprom, Lukoil, XOP).

We still think the recovery plays (DO&CO, Porsche, Lindt) have room to grow. We continue to approach the markets from a top down, thematic approach and are likely to overweight value plays in 2022.

**ATAI Life Sciences (3.1%)** was the key topic in December as the lock-up expired for nearly all pre-IPO shareholders. We expected a large overhang and managed to hedge 30% of our position via stock lending and put options. Overall, we trimmed the position by 45% to a comfortable size. We think the post-Covid outlook for depression treatment market will grow exponentially (sadly) and the company is well positioned to be a dominant player in this space.

We returned to a 1% holding in Oaks EM Opps Fund managed by Stefan Bottcher.

**Crypto (2.3%)** 2021 was a great year for crypto and we think the bull cycle will continue into H1 2022. Besides our direct holdings in ETH, we subscribed into Scytale Horizon II fund, which will hold a portfolio of blockchain based projects. This complements our position in Blockchain Capital Fund. We treat both fund investments as Long Term

**Main Private Shareholdings (53.3% 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 (8.1%, board seat for Q·Capital AG, 7.3% of the company).** In 9M 2021, the company increased its 9M revenue to EUR 60.3m (+37%) and delivered EUR 7.7m 9M EBITDA point towards a nearly 13% margin. 9M Net profit stood at EUR 4.3m. UCP decided to activate a EUR 6.8m non-cash impairment of its UMG Project (Methanol), which will provide a sizable tax shield in 2022. In December the UCP distributed a EUR 0.39 per share dividend.

**QC· VENTURES (QCV)\* - main SPVs**

**QCV Kissyo (2.9%)** As we reported before, the Schrotzberger product line was discontinued due to relationship issues. In H2 2021, it appeared clear that the CF impact from the resulting revenue loss was underestimated by management. The deteriorating KPIs pointed towards an inevitable capital injection but the first tranche (of 3) did not yield the expected result and subsequent tranches were halted. The company filed for insolvency and we are currently exploring options to see if a turn around is possible. We have fully written down the position.

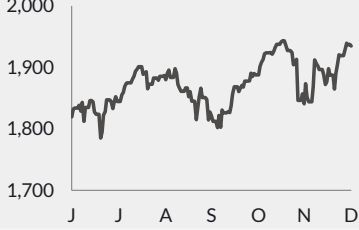
**McWin Ecosystem Fund (4.4%).** Following a thorough DD, we committed EUR 1.5m into the fund led by one of the most successful entrepreneurs in the food business - Henry McGovern (founder of Amrest Holdings). The fund will invest 70% of its capital in the foodservice segment, where the leadership team has unparalleled operational experience. The remaining 30% of the fund will be allocated towards the food tech vertical (Alt protein companies). We strongly subscribe to the vision of the fund, which aims to connect the food ecosystem to capital, entrepreneurs, brands and technology, delivering a more sustainable future.

**The Every Company (0.4%)** is a small co-investment in a leading egg protein manufacturer in the precision fermentation space, offering fully functional substitute proteins for a broad spectrum of mass-market products.

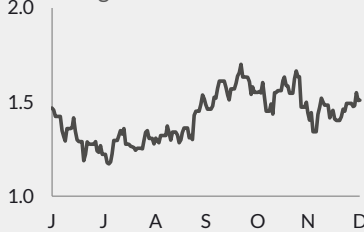
**REAL ESTATE (23.1%)**

**Informica Real Invest AG (16.1%, board seat; 15.3% stake)** continues to optimize its 16 properties with 444 residential and commercial units totalling n 35,587 m<sup>2</sup> of rented space. Company's 2021 estimated NAV stands above EUR 4.50 - adjusted with a liquidity discount.

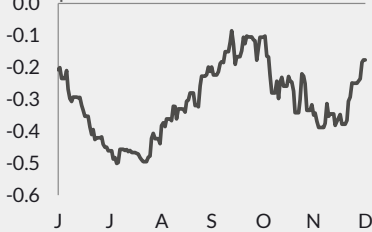
European Equities gained 6.3% in H2 2021



US 10Y Treasuries continued to be high bid



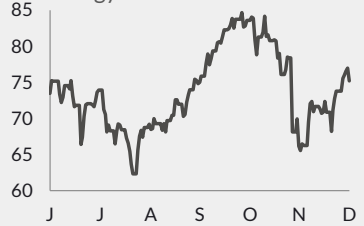
German 10Y yields to turn positive in 2022?



NASDAQ 100 - another ATH but strong technical 16.5k ceiling



Crude prices at USD 75 with energy crisis threats



Volatility can only rise from these low levels?



\*SPVs of QC·VENTURES