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).

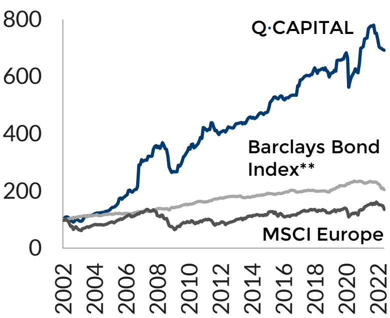
PRODUCT DETAILS

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 (30.06.22)	EUR 31.82 (E)
Annualized return	10.0%
Risk Manager	QC·Partners, Frankfurt

TOP HOLDINGS

Informica Real Invest	17.5%
UCV Diversified	9.5%
UCP Chemicals	7.7%

PERFORMANCE CHART



ADVISOR COMMENTARY

Q·Capital AG lost an estimated -8.19% net in H1'22. The NAV (EUR) stood at EUR 31.82 per share vs EUR 34.66 as per 31 Dec 2021. The bond market declined by 10.8% while equities tumbled 21.1% as per the Barclays Aggregate Bond and MSCI World indices, respectively.

The H1'22 delivered a perfect storm scenario starting with significant reassessment of bubble-like valuations across US growth stocks (NDX -30% till half year) followed by full-blown invasion of Russia on Ukraine and consequently leading into wild levels of inflation led by soaring commodity prices. Bear Market rallies turned out to be dangerous with the markets making panic lows in mid June. Central Banks seemed to be acting (largely) behind the curve with a series of interest rate hikes desperately trying to tame the record price increases. Recession fears have risen, due to the squeeze on consumers from higher price.

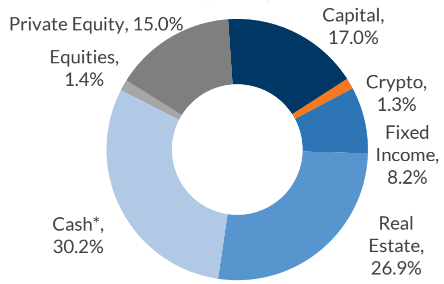
REVIEW OF THE FIRST HALF OF THE YEAR

The first half year was the worst H1 for developed market equities in over 50 years. Before the war in Ukraine started, we managed to cut over 80% of our listed Russian quoted exposure and raised cash levels to historical highs of 30%+. We were then cautiously active in sensitive sectors such as Energy and Financials but always with a strict stop-loss rules to protect capital as volatility has been very high. While we managed Equities quite well in the first six months we had to make significant write-offs in our Russian Bonds (which cost around 400bp) and our historically successful Russian Private Equity Holding UCP Chemicals (150bps).

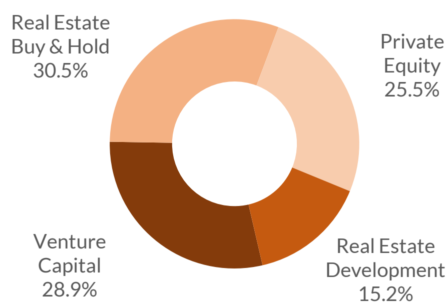
On the positive note, we had successful exits in Private Equity and Venture Capital with the Sale of VAPIANO (close September), smaller with Speed-Invest, SignD, ATAI, Pocket Coach.

Real Estate develops positively. Our Project in Ljubljana was a highlight as the structural engineering of both towers was concluded and sales of the flats already started.

ASSET SPLIT (in %)



PRIVATE INVESTMENTS (in %)



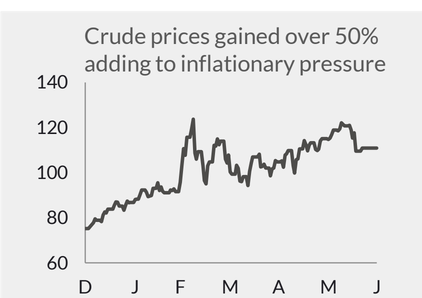
ADVISOR OUTLOOK

The more aggressive line by central banks adds to headwinds for both economic growth and equities. The risks of a recession are rising, while achieving a soft landing for the US economy appears increasingly challenging. Evidence is mounting that inflation is starting to erode consumer spending. Markets now expect rates to rise to 3.4%, 3% and 1.6% in the US, UK and Europe, respectively, by next year. Big buying opportunities will emerge out of this crisis but they will be available only to those who have the needed ammunition to act when needed.

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%
2022	-2.8	-3.7	-0.6	-0.3	-0.6	-0.5E							-8.19%

*Cash, cash equivalents and treasury shares | **Barclays Aggregate Bond Index (EUR) | NB: Monthly NAVs are calculated in EUR net of all fees



MAJOR HOLDINGS AND CHANGES IN H1 2022

Cash & equivalents / USD (30.2% from 9.0%) We raised our cash levels to historically high levels as the level of volatility propelled by growth & inflation worries coupled with ongoing war in Ukraine, made short-mid-term investing very challenging. We think USD has exploited its strength and have neutralized the exposure. We sold our Treasury shares.

Bonds & Private Loans (8.2% from 15.9%) Our Fixed Income portfolio has always had a strong CIS / EM regional tilt. In the first week of Russian invasion, we cut our holdings in Raven Property Group, Trafigura Group, Bank of Georgia, Frigoglass and Aragvi as these investments risked to be indirectly affected by the war. Sadly, we weren't able to sell-off Credit Bank of Moscow and SovcomBonds, which quickly appeared on the sanctions list and became untradable. We doubled our position in **Kernel 2027**, which is a longer-term play on rebuilding Ukrainian economy, especially as the world's grains supplier. We continue to hold the **DO&CO convertible,** which currently trades above its conversion price.

Equities (1.3% from 19.4%) As volatility levels kept rising, we were very selective and extra cautious in security selection. We applied strict stop-loss rules for all positions, which in hindsight proved very effective. Since the beginning of the year we were active in short-term trades in **Financials** (ex. Citi, Erste, HSBC, UCG) and **Energy & Commodities** (ex. BP, Shell, OMV, VALE, Rio). We had mixed results in **Technology** growth (FB, PYPL, DOCU) despite buying 50-70% discounts from ATH levels. Much better in **blue chip** names (AAPL, MSFT, AMZN). We sold (with profit) all of the Russian exposure (Gazprom, Sberbank, Norilsk) shortly before the conflict escalated. We were quite active in derivatives on the short side (Nasdaq Put Spreads and directionally via futures). We took further profits on our main holding in **ATAI Life Sciences**.

All of the third-party manager exposure was redeemed as capital preservation was key.

Crypto (1.3%) As risk assets became more and more correlated, crypto wasn't an exception to that. We hold exposure to crypto via **Blockchain Capital Fund** (85% invested) and **Scytale Horizon II** (30% invested). Neither of the funds has been immune from the sell-off that led BTC and ETH below USD 20k and USD 1k marks, respectively. This is however a longer term play and great buy-in zones will become available. We are aware and accept the volatility that comes along with it.

Main Private Shareholdings (58.9% 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 (7.7%, board seat for Q·Capital AG, 7.3% of the company). The company is facing one of its largest challenges in history, naturally all in respect to the ongoing Russian invasion on Ukraine. As a result, massive international sanctions have been introduced relating to exports and financial capital flows. At the same time Russian Federation introduced counter-sanctions, especially to import/export activities. Management did great job up to now but UCP needs to be extra careful to remain compliant with all sanctions and introduced extra measures to sustain the ongoing business. Current focus is set on uninterrupted production and for now the company has managed to overcome it. Full financial consequences will not be visible until Q3. The income statement for 4M 2022 shows still good revenue growth (EUR 29.1m, +32%) but also the cost of raw materials and logistics have increased significantly. Net result for 4M is same as 12 months ago however next 8 months might show more impact of the situation. Position has been marked down by 10% and we will review the historic always low kept valuation again in H2 2022.

McWin Ecosystem Fund (4.4%). The fund as drawn down on 92% of the committed capital and continues to deploy capital into impressive ideas within foodservice segment (70%) as well as Alternative protein companies (30%). We are very glad to have secured a deal to roll our position in Vapiano into the fund at over 2x valuation from our entry cost level. We expect the closure of this deal by end of Q3.

REAL ESTATE (26.9%)

QBELL (4.6%) Our residential development project in Ljubljana is doing well. The structural engineering of both towers is now finalised, and we are currently working on the interior fittings and finalising the facade. We were able to keep the delays due to unavailability of material to a minimum, which is a great achievement in this current environment. Sales of the flats are progressing well and it is expected to start handing over first flats during Q3 2022.

Informica Real Invest AG (17.5%, board seat; 15.3% stake) continues to optimize its 16 properties with 444 residential and commercial units totalling n 35,587 m^2 of rented space. Company's 2021 estimated NAV stands above EUR 4.50 - adjusted with a liquidity discount. The EUR 0.40 dividend for 2021 is due to be approved by the AGM in late August.