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# **NORTHQUEST CAPITAL FUND, INC.**

## **SEMI-ANNUAL REPORT**

**JUNE 30, 2019**

(UNAUDITED)



**NorthQuest Capital Fund, Inc.**  
**16 Rimwood Lane**  
**Colts Neck, NJ 07722**  
**1-800-239-9136**

**Ticker: NQCFX**  
**[www.NorthQuestFund.com](http://www.NorthQuestFund.com)**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request from your financial intermediary (such as a broker-dealer or bank) or the Fund to receive (free of charge) paper copies of the reports. Instead, the reports will be made available on the Fund's website [www.northquestfund.com](http://www.northquestfund.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you.

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# NORTHQUEST CAPITAL FUND, INC.

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## SHAREHOLDER LETTER

JUNE 30, 2019 (UNAUDITED)

### To the Shareholders of NorthQuest Capital Fund, Inc.:

Our Fund began the year at a share price of \$15.07 and ended the past six months at \$18.26. The Fund's total return for this period increased 21.17%. The following table may be helpful in comparing the Fund's performance with other indexes.

	2019 Performance	Year-To-Date
<u>The Fund and Other Indexes</u>		
NorthQuest Capital Fund		21.17%
Dow Jones Industrial Average		14.03%
NASDAQ Composite		20.66%
S&P500 Index with dividends reinvested		18.54%

### Sales of Common Stock Securities

<u>Company</u>	<u>Shares sold</u>	<u>Company</u>	<u>Shares sold</u>
1. Union Pacific Corp. (UNP)	250	5. Acuity Brands, Inc. (AYI)	ALL
2. Fiserv, Inc. (FISV)	700	6. LKQ Corp. (LKQ)	ALL
3. Stryker Corporation (SYK)	300	7. Westinghouse Air Brake Tech. Corp. (WAB)	ALL
4. United Technologies Corp. (UTX)	ALL		

### Purchases of Common Stock Securities

<u>Company</u>	<u>Shares purchased</u>	<u>Company</u>	<u>Shares purchased</u>
1. Zoetis Inc. (ZTS)	1500	3. Arthur J. Gallagher & Co. (AJG)	1900
2. Boeing Company (BA)	525	4. O'Reilly Automotive Inc. (ORLY)	500

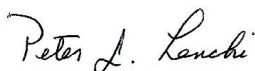
Over the long-term, the four new companies added to the Fund's portfolio should continue to grow their revenues and earnings at a higher rate than those companies sold. Please see the following business descriptions:

1. A.J. Gallagher – AJG provides property/casualty insurance, risk management programs and consulting services. AJG has 590 offices in the U.S. and 277 offices in 35 countries.
2. Boeing – BA is the largest aerospace company in the world. Boeing manufactures commercial and military aircraft, satellites, defense systems, and has a financial services company that provides financing to Boeing customers.
3. O'Reilly – ORLY is an auto parts company with 5,306 stores in the U.S. O'Reilly sells aftermarket auto parts, tools, equipment, and accessories to do-it-yourself customers and professional repair service companies.
4. Zoetis – ZTS provides medicines, vaccines, and diagnostic products to veterinarians and livestock producers who raise and care for farm and companion animals.

On June 14, 2019, our shareholders elected four directors to serve one-year terms on the Fund's Board of Directors. Fund shareholders also ratified Sanville & Company as the Fund's independent registered public accounting firm which will audit the Fund's year-end financial statements for 2019. The voting results are in section "SHAREHOLDER MEETING" in this report. Thank you for your votes.

You will find enclosed the Fund's financial report. Please do not hesitate to call or write me any comments or questions that you may have about this report.

Sincerely,



Peter J. Lencki  
President

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# NORTHQUEST CAPITAL FUND, INC.

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TOP TEN HOLDINGS as a Percentage of the Fund's Net Assets  
JUNE 30, 2019 (UNAUDITED)

1. Fiserv, Inc.	8.85%
2. Stryker Corp.	7.54%
3. MasterCard, Inc. Class A	6.28%
4. McCormick & Co., Inc.	5.69%
5. Microchip Technology, Inc.	5.61%
6. S&P Global, Inc.	5.41%
7. Apple, Inc.	5.13%
8. Union Pacific Corp.	5.11%
9. Zebra Technologies Corp.	4.97%
10. Home Depot, Inc.	4.49%
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	59.08%

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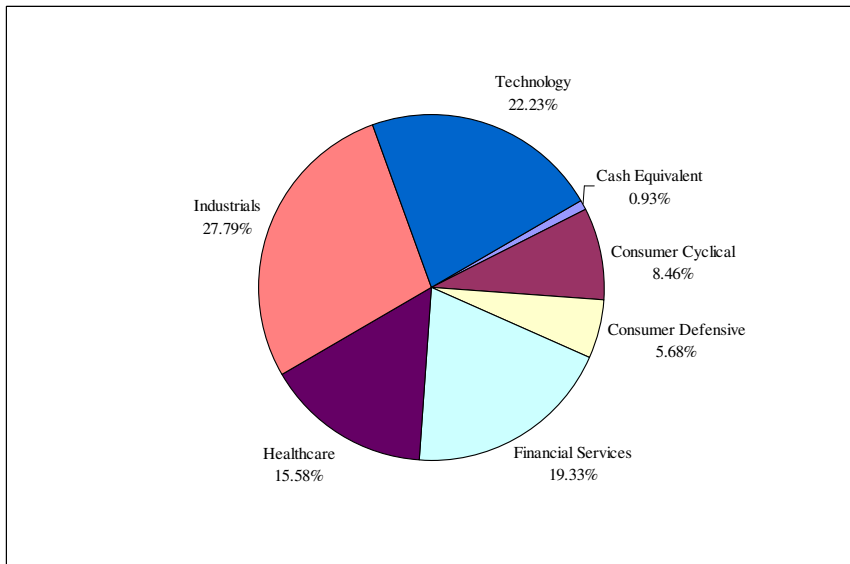
# NORTHQUEST CAPITAL FUND, INC.

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## PORTFOLIO ILLUSTRATION JUNE 30, 2019 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors the underlying securities represent as a percentage of the portfolio of investments.



Sectors are categorized using Morningstar® classifications.

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# NORTHQUEST CAPITAL FUND, INC.

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## SCHEDULE OF INVESTMENTS JUNE 30, 2019 (UNAUDITED)

<u>Shares</u>		<u>Value</u>
<b>COMMON STOCKS - 99.21%</b>		
<b>Aircraft - 4.12%</b>		
525	Boeing Co.	\$ 191,105
<b>Electronic Computers - 5.13%</b>		
1,200	Apple, Inc.	237,504
<b>General Industrial Machinery &amp; Equipment - 4.97%</b>		
1,100	Zebra Technologies Corp. *	230,439
<b>Household Appliances - 2.75%</b>		
2,700	A.O. Smith Corp.	127,332
<b>Insurance Agents Brokers &amp; Services - 3.59%</b>		
1,900	Gallagher Arthur J & Co.	166,421
<b>Miscellaneous Food Preparation &amp; Kindred Products - 5.69%</b>		
1,700	McCormick & Co., Inc.	263,517
<b>Orthopedic, Prosthetic &amp; Surgical Appliances &amp; Supplies - 4.39%</b>		
1,100	Edwards Lifesciences Corp. *	203,214
<b>Pharmaceutical Preparations - 3.67%</b>		
1,500	Zoetis, Inc. Class A	170,235
<b>Railroads, Line-Haul Operating - 5.11%</b>		
1,400	Union Pacific Corp.	236,754
<b>Refrigeration &amp; Service Industry Machinery - 2.93%</b>		
1,000	Middleby Corp. *	135,700
<b>Retail-Auto &amp; Home Supply Stores - 3.98%</b>		
500	O'Reilly Automotive, Inc. *	184,660
<b>Retail-Lumber &amp; Other Building Materials Dealers - 4.49%</b>		
1,000	Home Depot, Inc.	207,970
<b>Security &amp; Commodity Brokers, Dealers, Exchanges &amp; Services - 4.08%</b>		
2,200	Intercontinental Exchange, Inc.	189,068

*The accompanying notes are an integral part of these financial statements.*

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# NORTHQUEST CAPITAL FUND, INC.

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## SCHEDULE OF INVESTMENTS (CONTINUED) JUNE 30, 2019 (UNAUDITED)

<u>Shares</u>	<u>Value</u>
<b>Semiconductors &amp; Related Devices - 8.61%</b>	
900      IPG Photonics Corp. *	\$ 138,825
3,000     Microchip Technology, Inc.	260,100
	398,925
<b>Services-Business Services, NEC - 6.28%</b>	
1,100     MasterCard, Inc. Class A	290,983
<b>Services-Computer Processing &amp; Data Preparations - 8.85%</b>	
4,500     Fiserv, Inc. *	410,220
<b>Services-Computer Programming Services - 3.56%</b>	
2,600     Cognizant Technology Solutions Corp. Class A	164,814
<b>Services-Consumer Credit Reporting, Collection Agencies - 5.41%</b>	
1,100     S&P Global, Inc.	250,569
<b>Services-To Dwellings &amp; Other Buildings - 4.06%</b>	
5,250     Rollins, Inc.	188,318
<b>Surgical &amp; Medical Instruments - 7.54%</b>	
1,700     Stryker Corp.	349,486
	4,597,234
<b>TOTAL COMMON STOCKS (Cost \$2,805,471) - 99.21%</b>	
<b>SHORT-TERM INVESTMENT - 0.93%</b>	
43,165     Huntington Conservative Deposit Account 2.20% **	43,165
	43,165
<b>TOTAL INVESTMENTS (Cost \$2,848,636) - 100.14%</b>	
	4,640,399
<b>LIABILITIES IN EXCESS OF OTHER ASSETS, NET - (0.14)%</b>	
	(6,429)
<b>NET ASSETS - 100.00%</b>	
	\$ 4,633,970

\* Non-income producing securities during the period.

\*\* Variable rate security; the coupon rate shown represents the yield at June 30, 2019.  
The accompanying notes are an integral part of these financial statements.

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# NORTHQUEST CAPITAL FUND, INC.

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## STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2019 (UNAUDITED)

Assets:		
Investments in Securities, at Value (Cost \$2,848,636)	\$	4,640,399
Cash		500
Receivables:		
Dividends and Interest		952
Prepaid Expenses		1,684
Total Assets		<u>4,643,535</u>
Liabilities:		
Due to Advisor		3,725
Accrued Expenses		5,840
Total Liabilities		<u>9,565</u>
Net Assets	\$	<u>4,633,970</u>
Net Assets Consist of:		
Common Stock, at \$0.001 par value	\$	254
Paid In Capital		2,664,669
Distributable Earnings		1,969,047
Net Assets, for 253,730 Shares Outstanding	\$	<u>4,633,970</u>
Net Asset Value Per Share	\$	<u>18.26</u>

*The accompanying notes are an integral part of these financial statements.*

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# NORTHQUEST CAPITAL FUND, INC.

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## STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2019 (UNAUDITED)

Investment Income:	
Dividends	\$ 21,879
Interest	678
Total Investment Income	<u>22,557</u>
Expenses:	
Advisory fees	21,675
Transfer Agent fees	3,470
Audit fees	4,661
Custody	1,861
Insurance fees	171
Registration	1,373
Postage & printing	490
State & local taxes	1,000
Telephone	479
NASDAQ fees	344
Other expenses	295
Total Expenses	<u>35,819</u>
Net Investment Loss	<u>(13,262)</u>
Realized and Unrealized Gain on Investments:	
Realized Gain on Investments	190,546
Net Change in Unrealized Appreciation on Investments	<u>628,810</u>
Realized and Unrealized Gain on Investments	<u>819,356</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 806,094</u>

*The accompanying notes are an integral part of these financial statements.*



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# NORTHQUEST CAPITAL FUND, INC.

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## STATEMENTS OF CHANGES IN NET ASSETS

	(Unaudited)	
	Six Months	
	Ended	Year Ended
	<u>6/30/2019</u>	<u>12/31/2018</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (13,262)	\$ (25,024)
Net Realized Gain on Investments	190,546	216,557
Unrealized Appreciation (Depreciation) on Investments	628,810	(287,399)
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>806,094</u>	<u>(95,866)</u>
Distributions to Shareholders from:		
Distributions	-	(216,557) *
Net Change in Net Assets from Distributions	<u>-</u>	<u>(216,557)</u>
Capital Share Transactions	<u>19,563</u>	<u>278,369</u>
Total Increase (Decrease) in Net Assets	825,657	(34,054)
Net Assets:		
Beginning of Period	<u>3,808,313</u>	<u>3,842,367</u>
End of Period	<u>\$ 4,633,970</u>	<u>\$ 3,808,313</u>

\* For the year ended December 31, 2018, total distributions consisted of long term capital gains of \$216,557.  
*The accompanying notes are an integral part of these financial statements.*

# NORTHQUEST CAPITAL FUND, INC.

## FINANCIAL HIGHLIGHTS

Selected data for a share outstanding throughout the period.

	(Unaudited) Six Months Ended 6/30/2019	Years Ended				
		12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Net Asset Value, at Beginning of Period	\$ 15.07	\$ 16.38	\$ 14.34	\$ 14.31	\$ 15.81	\$ 14.73
Income (Loss) From Investment Operations:						
Net Investment Loss *	(0.05)	(0.10)	(0.09)	(0.09)	(0.08)	(0.06)
Net Gain (Loss) on Securities (Realized and Unrealized)	3.24	(0.30)	3.36	1.70	(0.93)	1.23
Total from Investment Operations	3.19	(0.40)	3.27	1.61	(1.01)	1.17
Distributions from Realized Capital Gains	-	(0.91)	(1.23)	(1.58)	(0.49)	(0.09)
Net Asset Value, at End of Period	\$ 18.26	\$ 15.07	\$ 16.38	\$ 14.34	\$ 14.31	\$ 15.81
Total Return **	21.17% <sup>(b)</sup>	(2.34)%	22.73%	11.18%	(6.44)%	7.94%
Ratios/Supplemental Data:						
Net Assets at End of Period (Thousands)	\$ 4,634	\$ 3,808	\$ 3,842	\$ 3,160	\$ 2,919	\$ 3,192
Ratio of Expenses to Average Net Assets						
Before Reimbursement	1.65% <sup>(a)</sup>	1.65%	1.75%	1.90%	1.87%	1.81%
After Reimbursement	1.65% <sup>(a)</sup>	1.65%	1.75%	1.79%	1.79%	1.79%
Ratio of Net Investment Loss to Average Net Assets						
Before Reimbursement	(0.61)% <sup>(a)</sup>	(0.61)%	(0.55)%	(0.69)%	(0.59)%	(0.42)%
After Reimbursement	(0.61)% <sup>(a)</sup>	(0.61)%	(0.55)%	(0.58)%	(0.51)%	(0.40)%
Portfolio Turnover	15.69% <sup>(b)</sup>	13.30%	21.78%	30.61%	18.46%	12.88%

\* Per share net investment income (loss) has been determined on the basis of average shares outstanding during the year.

\*\* Assumes reinvestment of dividends.

(a) Annualized.

(b) Not annualized.

*The accompanying notes are an integral part of these financial statements.*

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# NORTHQUEST CAPITAL FUND, INC.

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 (UNAUDITED)

### **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations:* NorthQuest Capital Fund, Inc. (the “Fund”) was incorporated on January 3, 2001 in New Jersey and commenced investment operations January 15, 2002. The Fund is registered as an open-end, non-diversified management investment company under the Investment Company Act of 1940, as amended, and its shares are registered under the Securities Act of 1933.

The Fund's investment objective is to seek long-term capital appreciation and to secondarily earn dividend income.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies.

*Security Valuation:* All investments in securities are recorded at their estimated fair value, as described in Note 2.

*Federal Income Taxes:* The Fund's policy is to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all its taxable income to its shareholders. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. Therefore, no federal income tax or excise provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Management has analyzed the Fund's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2015-2017) or expected to be taken in the Fund's 2018 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and New Jersey State, however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period ended June 30, 2019, the Fund did not incur any interest or penalties.

*Distributions to Shareholders:* The Fund intends to distribute to its shareholders substantially all of its net realized capital gains and net investment income, if any, annually.

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# NORTHQUEST CAPITAL FUND, INC.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 (UNAUDITED)

*Other:* The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis.

*Cash and Cash Equivalents:* The Fund maintains its cash in an account at a custodian bank, which, at times, may exceed federally insured limits. The Fund has not experienced any losses in such account and believes it is not exposed to any significant credit risk on its cash deposits.

*Use of Estimates:* The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

*Subsequent events:* Management has evaluated subsequent events through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in these financial statements.

## 2. SECURITIES VALUATIONS

### *Processes and Structure*

The Fund's Board of Directors have adopted guidelines for valuing securities including in circumstances in which market quotes are not readily available and has delegated to the Advisor the responsibility for determining fair value prices, subject to review by the Board of Directors.

### *Hierarchy of Fair Value Inputs*

The Fund utilizes various methods to measure the fair value of most of their investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- *Level 1.* Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- *Level 2.* Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- *Level 3.* Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

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# NORTHQUEST CAPITAL FUND, INC.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 (UNAUDITED)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

### *Fair Value Measurements*

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

*Equity securities (common stocks).* Securities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded, and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, financial futures, Exchange Traded Funds, and the movement of the certain indexes of securities based on a statistical analysis of the historical relationship and that are categorized in level 2.

*Short term investments.* Short term investments are valued using amortized cost, which approximates fair value. These securities will be categorized in Level 1 of the fair value hierarchy.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of June 30, 2019:

<i>Categories</i>	<b>Financial Instruments—Assets</b>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
Common Stocks *	\$ 4,597,234	\$ -	\$ -	\$ 4,597,234
Short-Term Investment	43,165	-	-	43,165
	<u>\$ 4,640,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,640,399</u>

\* Industry classifications for these categories are detailed in the Schedule of Investments.

The Fund did not hold any Level 3 assets during the six months ended June 30, 2019. The Fund did not hold any derivative instruments at any time during the six months ended June 30, 2019. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

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# NORTHQUEST CAPITAL FUND, INC.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2019 (UNAUDITED)

### 3. INVESTMENT ADVISORY AGREEMENT AND OTHER RELATED TRANSACTIONS

The Fund has an investment advisory agreement with Emerald Research Corporation (“the Advisor”), whereby the Advisor receives a fee of 1% per year on the net assets of the Fund. All fees are computed on the average daily closing net assets of the Fund and are payable monthly. The investment advisory fee earned by the Advisor for the six months ended June 30, 2019 was \$21,675. The Advisor has contractually agreed to decrease the investment advisory fee or, if necessary, to reimburse the Fund for expenses if and to the extent that the Fund’s aggregate annual operating expenses exceed 1.79% of the Fund’s daily average net assets until August 10, 2019. The Fund owed the Advisor \$3,725 at June 30, 2019 for advisory fees. There was no reimbursement for the six months ended June 30, 2019.

Mr. Peter J. Lencki is President of the Advisor and is also President of the Fund.

### 4. CAPITAL SHARE TRANSACTIONS

As of June 30, 2019, there were 500,000,000 shares of \$0.001 par value capital stock authorized. Total capital stock and paid-in capital as of June 30, 2019 amounted to \$2,664,923. Transactions in capital for the six months ended June 30, 2019 and the year ended December 31, 2018 were as follows:

	<u>June 30, 2019</u>		<u>December 31, 2018</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	7,143	\$ 129,441	8,649	\$ 149,798
Shares reinvested	-	-	14,632	216,557
Shares redeemed	<u>(6,116)</u>	<u>(109,878)</u>	<u>(5,088)</u>	<u>(87,986)</u>
Net increase	<u>1,027</u>	<u>\$ 19,563</u>	<u>18,193</u>	<u>\$ 278,369</u>

### 5. INVESTMENT TRANSACTIONS

For the six months ended June 30, 2019, purchases and sales of investment securities other than short-term investments aggregated \$672,064 and \$674,044, respectively.

### 6. TAX MATTERS

Income and long-term capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from the character of net investment income or net realized gains presented in these financial statements in accordance with U.S. GAAP.

The tax character of distributions paid for the years ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Long-term capital gain	\$216,557	\$267,762

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# NORTHQUEST CAPITAL FUND, INC.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2019 (UNAUDITED)

For the six months ended June 30, 2019, the Fund did not pay any distributions.

The Fund's distributable earnings on a tax basis are determined only at the end of each fiscal year. As of December 31, 2018, the Fund's most recent fiscal year-end, the components of distributable earnings on a tax basis were as follows:

Unrealized Appreciation	\$ <u>1,162,953</u>
Total Distributable Earnings, Net	\$ <u>1,162,953</u>

As of June 30, 2019, the tax basis components of unrealized appreciation (depreciation) and cost of investments were as follows:

Gross tax appreciation of investments	\$ 1,847,764
Gross tax depreciation of investments	\$ (56,001)
Net tax appreciation of investments	\$ <u>1,791,763</u>
Federal tax cost of investments, including short-term investments	\$ <u>2,848,636</u>

### 7. CONTROL AND OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund under Section 2(a)(9) of the Investment Company Act of 1940. As of June 30, 2019, the Portfolio manager and immediate family members, in aggregate, owned approximately 37% of the shares of the Fund.

### 8. INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts that contain general indemnification to other parties. The Fund's maximum exposure under these contracts is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of loss to be remote.

### 9. NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management is currently evaluating the impact these changes will have on the Fund's financial statements and disclosures.

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# NORTHQUEST CAPITAL FUND, INC.

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## EXPENSE ILLUSTRATION JUNE 30, 2019 (UNAUDITED)

### Expense Example

As a shareholder of the NorthQuest Capital Fund, you incur ongoing costs which typically consist of management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period, January 1, 2019 through June 30, 2019.

### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Expenses Paid During the Period*</b>
	<u>January 1, 2019</u>	<u>June 30 2019</u>	<u>January 1, 2019 to June 30, 2019</u>
Actual	\$1,000.00	\$1,211.68	\$9.05
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,016.61	\$8.25

\* Expenses are equal to the Fund's annualized expense ratio of 1.65%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).



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# NORTHQUEST CAPITAL FUND, INC.

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## ADDITIONAL INFORMATION

JUNE 30, 2019 (UNAUDITED)

### PORTFOLIO HOLDINGS

The Fund files its complete schedule of investments with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Form N-Q filing must be made within 60 days of the end of the quarter. The Fund's Form N-Q is available on the SEC's web site at <http://www.sec.gov>, or they may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-800-239-9136, free of charge.

### PROXY VOTING

The Fund's proxy voting policies, procedures and voting records relating to common stock securities in the Fund's investment portfolio are available without charge, upon request, by calling the Fund's toll-free telephone number 1-800-239-9136. The Fund will send this information within three business days of receipt of the request, by first class mail or other means designed to ensure prompt delivery. The Fund's proxy information is also available on the Securities and Exchange Commission website at <http://www.sec.gov>.

### ADDITIONAL INFORMATION

The Fund's Statement of Additional Information ("SAI") includes additional information about the directors and is available, without charge, upon request. You may call toll-free 1-800-239-9136 to request a copy of the SAI or to make shareholder inquiries.

### SHAREHOLDER MEETING

At the Fund's annual shareholder meeting held on June 14, 2019, shareholders of record on April 26, 2019, elected four directors. In addition, Fund shareholders ratified Sanville & Company as the Fund's independent registered public accounting firm for the fiscal year ending December 31, 2019.

Below are the voting results from the meeting:

Total Shares Voted:	194,293
Total Outstanding Shares:	253,993

Proposal #1. The following four persons were elected to serve as directors of the Fund:

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Shares Returned</u>
Charles G. Camarata	194,293	0	0	194,293
William S. Foote, Jr.	194,293	0	0	194,293
Peter J. Lencki	194,293	0	0	194,293
George Sikora	194,293	0	0	194,293
Total	194,293	0	0	194,293
Percentage of Shares Voted	76.50%	0%	0%	76.50%

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# NORTHQUEST CAPITAL FUND, INC.

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## ADDITIONAL INFORMATION (CONTINUED)

JUNE 30, 2019 (UNAUDITED)

Proposal #2. The shareholders approved the appointment of Sanville & Company as the Independent Registered Public Accounting Firm for the Fund for fiscal year 2019.

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Shares Returned</u>
Sanville & Company	194,293	0	0	194,293
Total	194,293	0	0	194,293
Percentage of Shares Voted	76.50%	0%	0%	76.50%

# NORTHQUEST CAPITAL FUND, INC.

## DIRECTORS & OFFICERS

JUNE 30, 2019 (UNAUDITED)

The Fund's Board of Directors has the ultimate responsibility of operating the Fund. Information about the Fund's Directors is provided below. Additional board member information is included in the SAI, which is available free of charge by calling 1-800-239-9136.

### INDEPENDENT DIRECTORS

Name and Age	Position	Term/Time on Bd.	Principal Occupation During Last 5 Years	Other Public Company Directorships
Charles G. Camarata Age 75	Director	1 year term; 7 years	Private Investor	None
William S. Foote, Jr. Age 75	Director	1 year term; 4 years	Private Investor	None
George Sikora Age 72	Director	1 year term; 3 years	Private Investor	None

### INTERESTED DIRECTOR & OFFICER

Name and Age	Position	Term/Time on Bd.	Principal Occupation During Last 5 Years	Other Public Company Directorships
Peter J. Lencki Age 64	Chairman President/ Treasurer Chief Compliance Officer	1 year term; 17 years	Portfolio Manager NorthQuest Capital Fund	None
Mary E. Lencki * Age 61	Secretary	1 year term; 17 years	Nurse Brighton Gardens Assisted Living	None

\* Directors of the Fund are considered "Interested persons", as define in the Investment Company Act of 1940, because these individuals are affiliated with the Investment Adviser. Mary and Peter Lencki have a "family relationship".

Directors of the Fund are considered "Interested Directors", as defined in the Investment Company Act of 1940, because these individuals are affiliated with the Fund's Investment Adviser. Mr. Peter Lencki is president/owner of the Fund's Investment Adviser.

No compensation was paid to either the independent or interested directors during the six months ended June 30, 2019.

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**Board of Directors**

Charles G. Camarata  
William S. Foote, Jr.  
Peter J. Lencki  
George Sikora

**Investment Adviser**

Emerald Research Corporation  
16 Rimwood Lane  
Colts Neck, NJ 07722

**Dividend Paying Agent,  
Shareholders' Servicing Agent,  
Transfer Agent**

Mutual Shareholder Services, LLC  
8000 Town Centre Drive, Suite 400  
Broadview Heights, OH 44147

**Custodian**

The Huntington National Bank  
7 Easton Oval  
Columbus, Ohio 43219

**Independent Registered Public Accounting Firm**

Sanville & Company  
1514 Old York Road  
Abington, PA 19001

This report and the financial statements contained herein are submitted for the general information of shareholders and are not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus. Nothing herein contained is to be considered an offer of sale or solicitation of an offer to buy shares of NorthQuest Capital Fund, Inc. Such offering is made only by prospectus, which includes details as to offering price and material information.

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