
NORTHQUEST CAPITAL FUND, INC.

SEMI-ANNUAL REPORT

JUNE 30, 2023

(UNAUDITED)



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

**Ticker: NQCFX
www.NorthQuestFund.com**

NORTHQUEST CAPITAL FUND, INC.

SHAREHOLDER LETTER

JUNE 30, 2023 (UNAUDITED)

To the Shareholders of NorthQuest Capital Fund, Inc.:

Our Fund began the year at a share price of \$19.38 and ended the past six months at \$22.90. The Fund's total return for this period increased 18.16%. Please see the performance chart.

<u>The Fund and Other Indexes</u>	2023 Performance	<u>Year-To-Date</u>
NorthQuest Capital Fund		18.16%
Dow Jones Industrial Average		3.80%
NASDAQ Composite		31.73%
S&P500 Index with dividends reinvested		16.89%

Portfolio Adjustments

There were only two common stock transactions conducted during the first half of 2023. The Fund added a total of 700 shares of Paccar Inc. (PCAR) from two purchase transactions. Paccar manufactures heavy-duty trucks under the brand names of Kenworth, Peterbilt and DAF. No common stock securities were sold. The Fund's investment portfolio closed this six-month period with approximately 98.7% invested in common stock securities and 1.30% in cash equivalents.

Adapting to Uncertainty – Long-term Investing

Inflation, financial stress among regional banks, rising consumer and government debt, and higher interest rates continued to negatively impact the U.S. economy. Additionally, the costs to support the enormous populations crossing the southern U.S. border will put an unprecedented financial burden on our economy for years to come.

With these aforementioned issues becoming firmly established, the Fund has positioned its investment portfolio with companies operating across numerous industries of the U.S. and the global economies. Secondly, many of our companies issue cash dividends quarterly. The Fund may use these dividends to increase our cash balance or to purchase more shares of current or new holdings, especially during periods of severe stock market downturns. And most importantly, we believe that our investments are in companies with reasonable or low debt; and with managements that seek to grow revenues and allocate their earnings efficiently. The Fund's investment pillars of industry diversification, reinvesting dividends, and owning shares of efficiently run companies are long-term investment fundamentals for all economic conditions. Long-term investing is always adapting – "it's a way of life".

On March 31, 2023 our shareholders elected four directors to serve one-year terms on the Fund's Board of Directors. Fund shareholders ratified Sanville & Company, an independent registered public accounting firm, to audit the Fund's financial statements for 2023. See section "Shareholder Meeting" in this report for the results. Thank you for your votes!

You will find enclosed the Fund's financial report. Please do not hesitate to call or write me with regard to any comments or questions about this report. Thank you for investing with us.

Sincerely,



Peter J. Lencki
President

NORTHQUEST CAPITAL FUND, INC.

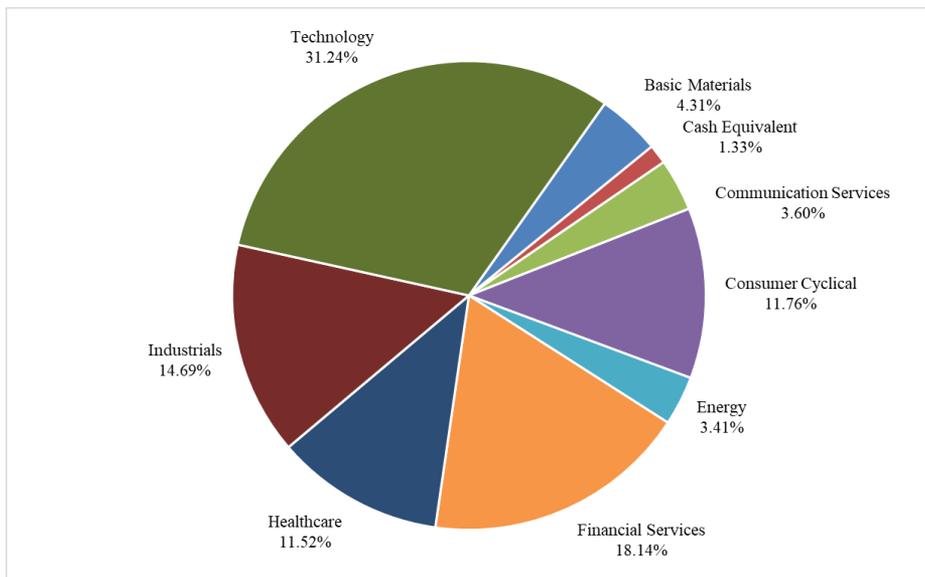
TOP TEN HOLDINGS, as a Percentage of the Fund's Net Assets JUNE 30, 2023 (UNAUDITED)

1.	Apple, Inc.	6.30%
2.	Arthur J. Gallagher & Co.	5.65%
3.	Fortinet, Inc.	5.63%
4.	O'Reilly Automotive, Inc.	5.17%
5.	Monolithic Power Systems, Inc.	5.12%
6.	Mastercard, Inc. Class A	4.79%
7.	Microsoft Corp.	4.61%
8.	S&P Global, Inc.	4.34%
9.	The Sherwin-Williams Co.	4.31%
10.	Home Depot, Inc.	4.21%
		<hr/>
		50.13%
		<hr/> <hr/>

NORTHQUEST CAPITAL FUND, INC.

PORTFOLIO ILLUSTRATION JUNE 30, 2023 (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.

NORTHQUEST CAPITAL FUND, INC.

SCHEDULE OF INVESTMENTS

JUNE 30, 2023 (UNAUDITED)

<u>Shares</u>		<u>Fair Value</u>
COMMON STOCKS - 98.74%		
Communication Equipment - 2.40%		
600	Zebra Technologies Corp. Class A *	\$ 177,498
Crude Petroleum & Natural Gas - 3.41%		
2,200	EOG Resources, Inc.	251,768
Electronic Computers - 6.30%		
2,400	Apple, Inc.	465,528
Farm Machinery & Equipment - 3.84%		
700	Deere & Co.	283,633
Hospital & Medical Service Plans - 3.90%		
600	UnitedHealth Group, Inc.	288,384
Insurance Agents Brokers & Services - 5.65%		
1,900	Arthur J. Gallagher & Co.	417,183
Motor Vehicles & Passenger Car Bodies - 2.49%		
2,200	Paccar, Inc.	184,030
Pharmaceutical Preparations - 3.50%		
1,500	Zoetis, Inc. Class A	258,315
Plastics Foam Products - 1.54%		
1,000	Advanced Drainage Systems, Inc.	113,780
Railroads, Line-Haul Operating - 2.77%		
1,000	Union Pacific Corp.	204,620
Retail-Auto & Home Supply Stores - 5.17%		
400	O'Reilly Automotive, Inc. *	382,120
Retail-Building Materials, Hardware, Garden Supply - 6.71%		
1,200	The Sherwin-Williams Co.	318,624
800	Tractor Supply Co.	176,880
		<hr/>
		495,504
Retail-Lumber & Other Building Materials Dealers - 4.21%		
1,000	Home Depot, Inc.	310,640
Security & Commodity Brokers, Dealers, Exchanges & Services - 3.37%		
2,200	Intercontinental Exchange, Inc.	248,776

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

NORTHQUEST CAPITAL FUND, INC.

SCHEDULE OF INVESTMENTS (CONTINUED)

JUNE 30, 2023 (UNAUDITED)

<u>Shares</u>		<u>Fair Value</u>
COMMON STOCKS - 98.74% (CONTINUED)		
Semiconductors & Related Devices - 5.12%		
700	Monolithic Power Systems, Inc.	\$ 378,161
Services-Business Services - 4.79%		
900	Mastercard, Inc. Class A	353,970
Services-Computer Programming, Data Processing, Etc. - 3.60%		
2,200	Alphabet, Inc. Class C *	266,134
Services-Consumer Credit Reporting, Collection Agencies - 4.34%		
800	S&P Global, Inc.	320,712
Services-Prepackaged Software - 8.33%		
600	Intuit, Inc.	274,914
1,000	Microsoft Corp.	340,540
		<hr/> 615,454
Software - Infrastructure - 5.63%		
5,500	Fortinet, Inc. *	415,745
Special Industry Machinery - 3.48%		
400	Lam Research Corp.	257,144
Surgical & Medical Instruments - 4.13%		
1,000	Stryker Corp.	305,090
Wholesale-Misc. Durable Goods - 4.06%		
800	Pool Corp.	<hr/> 299,712
TOTAL COMMON STOCKS (Cost \$3,964,225) - 98.74%		<hr/> 7,293,901
SHORT-TERM INVESTMENT - 1.33%		
98,540	Huntington Conservative Deposit Account 4.95% **	<hr/> 98,540
TOTAL SHORT-TERM INVESTMENT (Cost \$98,540) - 1.33%		<hr/> 98,540
TOTAL INVESTMENTS (Cost \$4,062,765) - 100.07%		7,392,441
LIABILITIES IN EXCESS OF OTHER ASSETS, NET - (0.07)%		<hr/> (5,393)
NET ASSETS - 100.00%		<hr/> <hr/> \$ 7,387,048

* Non-income producing securities during the period.

** Variable rate security; the coupon rate shown represents the yield at June 30, 2023.

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

NORTHQUEST CAPITAL FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 2023 (UNAUDITED)

Assets:	
Investments in Securities, at Value (Cost \$4,062,765)	\$ 7,392,441
Cash	500
Receivables:	
Dividends and Interest	3,399
Prepaid Expenses	3,930
Total Assets	<u>7,400,270</u>
Liabilities:	
Due to Advisor	5,826
Accrued Expenses	7,396
Total Liabilities	<u>13,222</u>
Net Assets	<u>\$ 7,387,048</u>
Net Assets Consist of:	
Common Stock, at \$0.001 par value	\$ 323
Paid In Capital	4,066,312
Distributable Earnings	3,320,413
Net Assets, for 322,590 Shares Outstanding	<u>\$ 7,387,048</u>
Net Asset Value Per Share	<u>\$ 22.90</u>

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

NORTHQUEST CAPITAL FUND, INC.

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2023 (UNAUDITED)

Investment Income:	
Dividends	\$ 37,676
Interest	3,069
Total Investment Income	<u>40,745</u>
Expenses:	
Advisory fees	33,405
Trustee fees	149
Transfer Agent fees	4,947
Audit fees	4,860
Custody	2,171
Insurance fees	168
State taxes	790
Registration	1,977
Postage & printing	410
NASDAQ fees	297
Other expenses	834
Total Expenses	<u>50,008</u>
Net Investment Loss	<u>(9,263)</u>
Realized and Unrealized Gain (Loss) on Investments:	
Realized Gain on Investments	-
Net Change in Unrealized Appreciation on Investments	<u>1,143,256</u>
Realized and Unrealized Gain on Investments	<u>1,143,256</u>
Net Increase in Net Assets Resulting from Operations	<u><u>\$ 1,133,993</u></u>

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

NORTHQUEST CAPITAL FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

	(Unaudited) Six Months Ended <u>6/30/2023</u>	Year Ended <u>12/31/2022</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (9,263)	\$ (30,144)
Net Realized Gain on Investments	-	70,058
Unrealized Appreciation (Depreciation) on Investments	<u>1,143,256</u>	<u>(2,213,148)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>1,133,993</u>	<u>(2,173,234)</u>
Distributions to Shareholders:	<u>-</u>	<u>(70,058)</u>
Capital Share Transactions	<u>(18,547)</u>	<u>262,964</u>
Total Increase (Decrease) in Net Assets	1,115,446	(1,980,328)
Net Assets:		
Beginning of Period/Year	<u>6,271,602</u>	<u>8,251,930</u>
End of Period/Year	<u>\$ 7,387,048</u>	<u>\$ 6,271,602</u>

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/year.

	(Unaudited)					
	Six Months	Years Ended				
	Ended 6/30/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Net Asset Value, at Beginning of Period/Year	\$ 19.38	\$ 26.52	\$ 21.28	\$ 19.85	\$ 15.07	\$ 16.38
Income (Loss) From Investment Operations:						
Net Investment Loss *	(0.03)	(0.10)	(0.20)	(0.14)	(0.10)	(0.10)
Net Gain (Loss) on Securities (Realized and Unrealized)	3.55	(6.82)	7.14	4.03	5.49	(0.30)
Total from Investment Operations	3.52	(6.92)	6.94	3.89	5.39	(0.40)
Distributions from Realized Capital Gains	-	(0.22)	(1.70)	(2.46)	(0.61)	(0.91)
Net Asset Value, at End of Period/Year	\$ 22.90	\$ 19.38	\$ 26.52	\$ 21.28	\$ 19.85	\$ 15.07
Total Return **	18.16% (b)	(26.09)%	32.58%	19.70%	35.75%	(2.34)%
Ratios/Supplemental Data:						
Net Assets at End of Period/Year (Thousands)	\$ 7,387	\$ 6,272	\$ 8,252	\$ 5,861	\$ 5,175	\$ 3,808
Ratio of Expenses to Average Net Assets	1.50% (a)	1.51%	1.47%	1.59%	1.60%	1.65%
Ratio of Net Investment Loss to Average Net Assets	(0.28)% (a)	(0.45)%	(0.83)%	(0.67)%	(0.55)%	(0.61)%
Portfolio Turnover	0.00% (b)	26.07%	15.24%	30.94%	22.90%	13.30%

* Per share net investment 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.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 (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 makes no provision for federal income or excise tax. The Fund intends to qualify each year as a “regulated investment company” (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of their taxable income. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that they will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense. 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 (2019-2021) or expected to be taken in the Fund's 2022 tax returns. The Fund identifies their major tax jurisdiction as U.S. Federal and state of New Jersey, 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 six months ended June 30, 2023, 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.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 (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.

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.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 (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 Depository 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, 2023:

<i>Categories</i>	Financial Instruments—Assets			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Fair Value</i>
Common Stocks *	\$ 7,293,901	\$ -	\$ -	\$ 7,293,901
Short-Term Investment	98,540	-	-	98,540
	<u>\$ 7,392,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,392,441</u>

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

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 (UNAUDITED)

The Fund did not hold any Level 3 assets during the six months ended June 30, 2023. The Fund did not hold any derivative instruments at any time during the six months ended June 30, 2023. 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.

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, 2023 was \$33,405. 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, 2023. The Fund owed the Advisor \$5,826 at June 30, 2023 for advisory fees. There was no reimbursement for the six months ended June 30, 2023.

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

4. CAPITAL SHARE TRANSACTIONS

As of June 30, 2023, 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, 2023 amounted to \$4,066,635. Transactions in capital for the six months ended June 30, 2023 and year ended December 31, 2022 were as follows:

	<u>June 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares sold	1,582	\$ 32,093	13,489	\$ 290,797
Shares reinvested	-	-	3,663	69,989
Shares redeemed	<u>(2,550)</u>	<u>(50,640)</u>	<u>(4,781)</u>	<u>(97,822)</u>
Net increase (decrease)	<u>(968)</u>	<u>\$ (18,547)</u>	<u>12,371</u>	<u>\$ 262,964</u>

5. INVESTMENT TRANSACTIONS

For the six months ended June 30, 2023, purchases and sales of investment securities other than short-term investments aggregated \$51,417 and \$0, respectively.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 (UNAUDITED)

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.

As of December 31, 2022, the tax basis components of unrealized appreciation (depreciation) and cost of investments were as follows:

Gross tax appreciation of investments	\$ 2,453,662
Gross tax depreciation of investments	<u>\$ (267,242)</u>
Net tax appreciation of investments	<u>\$ 2,186,420</u>
Federal tax cost of investments, including short-term investments	<u>\$ 4,081,502</u>

The tax character of distributions paid for the years ended December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Long-term capital gain	\$70,058	\$497,519

The Fund's distributable earnings on a tax basis are determined only at the end of each fiscal year. As of December 31, 2022, the Fund's most recent fiscal year-end, the components of distributable earnings on a tax basis were as follows:

Unrealized Appreciation	\$ <u>2,186,420</u>
Total Distributable Earnings, Net	\$ <u>2,186,420</u>

In accordance with GAAP, the Fund recorded a permanent book/tax difference of \$30,144 from net investment loss to paid in capital. This reclassification has no impact on the net asset value of the Fund and is designed generally to present undistributed income and net realized gains on a tax basis, which is considered to be more informative to shareholders.

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, 2023, the Portfolio manager and immediate family members, in aggregate, owned approximately 41% of the shares of the Fund.

NORTHQUEST CAPITAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 (UNAUDITED)

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. MARKET RISK

Russian Invasion of Ukraine

Russia launched a large-scale invasion of Ukraine on February 24, 2022. As a result of this military action, the United States and many other countries have instituted various economic sanctions against Russian individuals and entities. The situation has led to increased financial market volatility and could have severe adverse effects on regional and global economic markets, including the markets for certain securities and commodities, such as oil and natural gas. The extent and duration of the military action, resulting sanctions imposed, other punitive action taken, and the resulting market disruptions cannot be easily predicted.

10. SECTOR CONCENTRATION RISK

Sector concentration risk is the possibility that securities within the same sector will decline in price due to sector-specific market or economic developments. If the Fund invests more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of sectors. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

11. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Funds through the issuance date of these financial statements and has noted no such other events requiring accounting or disclosure.

NORTHQUEST CAPITAL FUND, INC.

EXPENSE ILLUSTRATION

JUNE 30, 2023 (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, 2023 through June 30, 2023.

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.

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>January 1, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023 to June 30, 2023</u>
Actual	\$1,000.00	\$1,181.63	\$8.11
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,017.36	\$7.50

* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

NORTHQUEST CAPITAL FUND, INC.

ADDITIONAL INFORMATION (CONTINUED)

JUNE 30, 2023 (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-PORT. The Form N-PORT filing must be made within 60 days of the end of the quarter. The Fund's Form N-PORT 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 March 31, 2023, shareholders of record on January 13, 2023, elected four directors. In addition, Fund shareholders ratified the selection of Sanville & Company as our independent registered public accounting firm for the fiscal year ending December 31, 2023.

Below are the voting results from the meeting:

Total Shares Voted:	252,786
Total Outstanding Shares:	321,798

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	252,786	0	0	252,786
William S. Foote, Jr.	252,786	0	0	252,786
Peter J. Lencki	252,786	0	0	252,786
George Sikora	252,786	0	0	252,786
Total	252,786			
Percentage of Shares Voted	78.55%			

Proposal #2. The shareholders approved the appointment of Sanville & Company as the independent registered public accounting firm to perform the audit of the Fund's financial statements for the year ending December 31, 2023.

	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Shares Returned</u>
Sanville & Company	252,786	0	0	252,786
Total	252,786			
Percentage of Shares Voted	78.55%			

NORTHQUEST CAPITAL FUND, INC.

DIRECTORS & OFFICERS

JUNE 30, 2023 (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 79	Lead Director	1 year term; 11 years	Private Investor	None
William S. Foote, Jr. Age 79	Director	1 year term; 8 years	Private Investor	None
George Sikora Age 77	Director	1 year term; 7 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 68	Chairman President/ Treasurer Chief Compliance Officer	1 year term; 21 years	Portfolio Manager NorthQuest Capital Fund	None
Mary E. Lencki * Age 65	Secretary	1 year term; 21 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, 2023.

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
2617 Huntingdon Pike
Huntingdon Valley, PA 19006

Administration and Compliance

Empirical Administration, LLC
8000 Town Centre Drive, Suite 400
Broadview Heights, OH 44147

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.
