EQUITY RESEARCH

Initiating coverage
16 January 2013

Quest for Growth

Quest for dividend

Hold (initiating coverage)

Price (15/01/13)
€6.10

Target price (12-mth)
€6.50

Forecast total return
6.6%

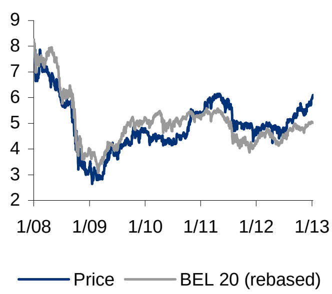
Financial Services
Belgium
Bloomberg: QFG BB
Reuters: QUFG.BR

Share data

Avg daily volume (3-mth)	4,480
Free float (%)	63.0
Market cap (€m)	70.3
Net debt (1F, €m)	0
Enterprise value (1F, €m)	107
Dividend yield (1F, %)	0

Source: Company data, ING estimates

Share price performance



Source: ING

We view a reinstatement of the dividend as essential to trigger any substantial narrowing of Quest's discount to NAV. We take a conservative stance on Quest for Growth's ability to generate a FY13 return sufficient to absorb the remaining €3.7m in losses carried forward (INGF) and to reinstate a significant dividend. Consequently, we initiate our coverage of Quest for Growth with a HOLD. Our €6.5 target price is based on a 30% target discount to NAV.

The 2008 post-Lehman Brothers equity market implosion and consequent economic malaise led to Quest recording several write downs in its unquoted portfolio and to a very poor performance of its quoted portfolio. This resulted in a FY08 loss of €48m, NAV cut from €110m to €67m, and Quest left with €44m in retained losses. The €44m retained losses sterilized Quest's capacity to pay dividends. Belgium company law forbids any dividend distribution to shareholders while a company is carrying retained losses.

This report concludes that dividend visibility is the main driver for the level of the share price discount to NAV. This conclusion is based on: (1) the observation that the discount reached similar heights during the 2003-2005 period, a period in which Quest did not distribute any dividend, (2) a dividend is the logical result of strong NAV returns and hence track-record and (3) a narrowing of the discount began during 2006, after the approval at an extraordinary general assembly of a capital reduction to absorb carried forward losses (allowing Quest to reinitiate dividend payments), the initiation of a buy back programme and, more importantly, strong FY06 results with several value-unlocking IPOs for the unquoted portfolio and strong quoted performance. This resulted in FY06 ROE coming in at 22.5% and allowed for a €1.96 dividend on a €10 NAV per share.

Given this report's findings, we view a reinstatement of Quest's dividend as essential to trigger any substantial narrowing in Quest's share price discount to NAV. We take a conservative stance on Quest's ability to generate a FY13 return sufficient to absorb the losses carried forward and to reinstate a substantial dividend. Our conservative stance is driven by: 1) the fact that we do not expect unsupportive exit markets to allow the unquoted portfolio to substantially contribute to Quest's FY13 returns, 2) noting the current macro environment, we take a cautious stance on the FY 8% positive earnings surprise (38% YoY earnings growth vs 27% YoY consensus expectation) needed for the quoted portfolio to nullifty losses carried forward, and 3) noting the 3% quoted holdings aggregated FY13F dividend yield, we see an aggregated FY 8% multiple expansion (to 14x PER13F) as challenging. Subsequently, we rate Quest a HOLD. Our €6.5 TP is based on a 30% discount to NAV, a discount we deem fair given Quest's track-record, low liquidity, growth investor risk profile, and absence of dividend payments.

Risks. Quest's share price and NAV performance are heavily geared towards general stock market performance. Any re-rating triggered by positive macro-economic or political developments could lift Quest's NAV and trigger a narrowing of the discount. Conversely, any equity market sell-off could adversely affect Quest's NAV and trigger a widening of the discount.

Matthias Maenhaut
Brussels +32 2547 7523
matthias.maenhaut@ing.be

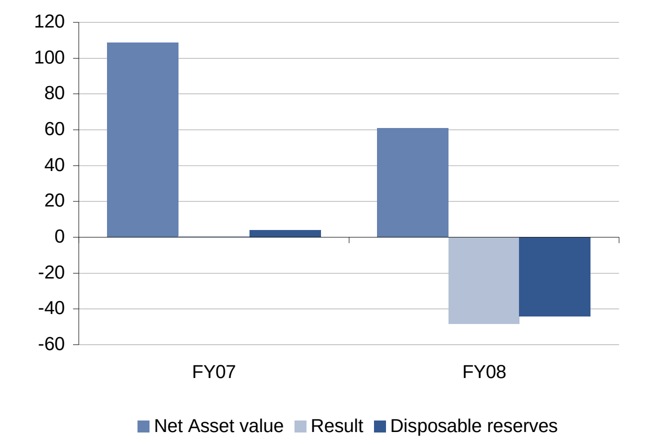
Investment case

We view a reinstatement of Quest's dividend as essential for triggering any substantial narrowing of it's share price discount to NAV. Hence, we initiate Quest with a **HOLD** rating as we take a conservative stance on Quest's ability to generate a FY13 return sufficient to absorb the losses carried forward at year end. Our conservative stance is driven by the fact that: (1) with unsupportive exit markets, we do not expect significant transactions to unlock value in the unquoted portfolio and hence see only a limited FY13 contribution from the unquoted portfolio; (2) with the current macro environment, we take a cautious stance on the 8% positive earnings surprise (with 38% FY earnings growth, compared to the27% consensus expectation) that would be needed for the quoted portfolio to nullify losses carried-forward; and (3) with the investment profile and 3% quoted holdings aggregated FY13F dividend yield, we see an aggregated 8% multiple expansion (to 14x PER 13F) as challenging. Our €6.5 target price is based on a 30% discount to NAV, a discount we deem fair given Quests' track-record, liquidity, market cap and growth investor risk profile.

2008 results nullified Quest's capacity to pay dividends and hit the share price

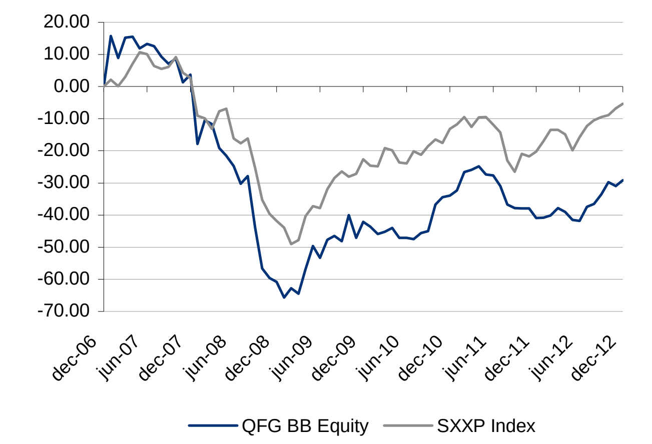
The 2008 post Lehman equity market implosion and consequent economic malaise resulted in Quest recording a FY08 loss of €48m, NAV falling from €110m to €67m, and with Quest having €44m in retained losses. The €44m retained losses effectively sterilized Quest's capacity to pay dividends as Belgium company law forbids any dividend distribution to shareholders while a fund is carrying retained losses. Quest's share price performance for the period was also very poor, with FY08 cumulative total return (net dividends reinvested) being a negative 62%, underperforming the DJ STOXX 600 by 19%.

Fig 1 Quest NAV, result and disposable reserves (€m)



Source: Company data

Fig 2 Cumulative total return (%, net dividends reinvested, monthly)

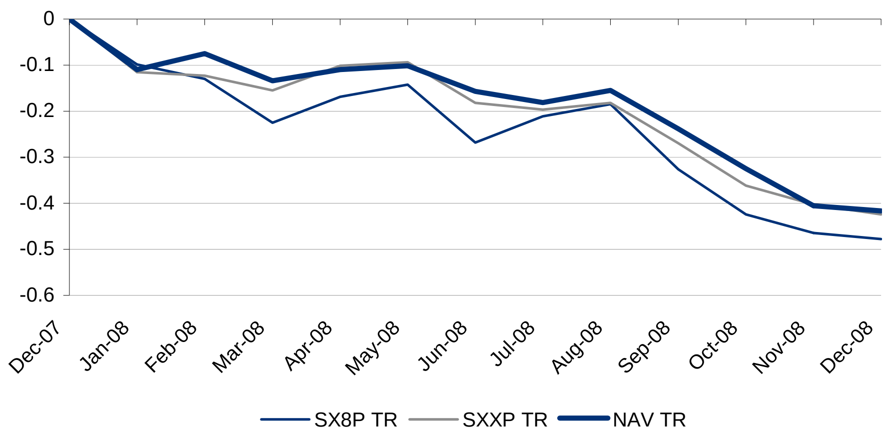


Source: Bloomberg

Actual relative performance was in line with or better than broad market indexes

To evaluate the actual investment performance of Quest during the FY08 period we have compared the FY08 cumulative total return evolution of Quest's Net Asset Value (monthly base) with the STOXX 600 Europe and STOXX 600 Europe Technology indices.

Fig 3 Cumulative total return (%): Quest NAV, SX8P & SXXP (dividends not reinvested, monthly)

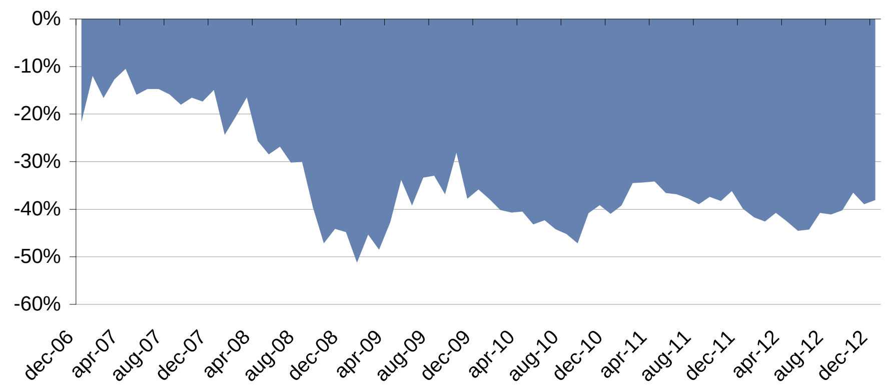


Source: Bloomberg

We observe that Quest performed in line with the STOXX 600 Europe index and outperformed the STOXX 600 Europe Technology index, with the latter being a better benchmark as it has a closer geographical and sector match with Quest's investment strategy.

So the discount to NAV is the main culprit for the share's underperformance.
During 2008, Quest's discount to NAV widened from -15% to -51%, a significant factor behind the share price underperformance relative to the indices.

Fig 4 Quest for Growth historical discount to NAV



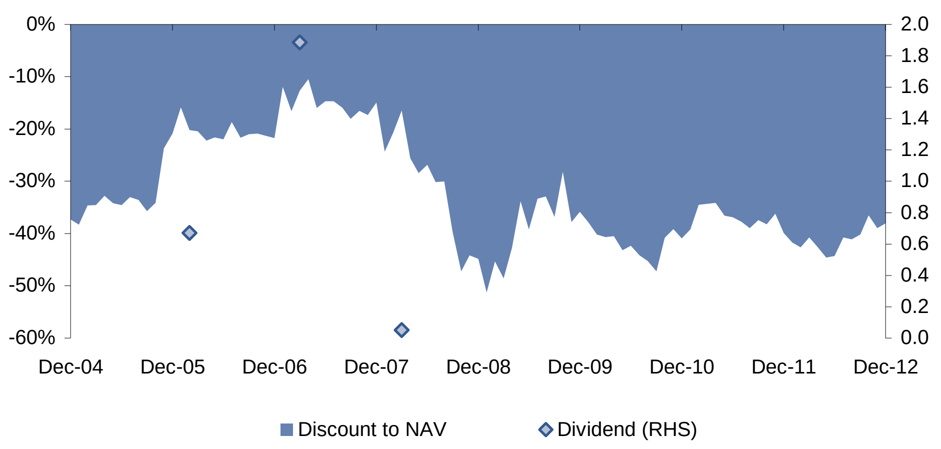
Source: Company data

We identify dividend visibility as the main driver for the level of the discount.
After having examined historical discount and dividend data, we conclude that the lack of short term dividend visibility has been the main driver for the discount. Our conclusion is based on: (1) the observation that the discount reached similar heights during the 2003-2005 period, a period in which Quest did not distribute any dividend; (2) that a dividend from a fund structured as a PRIVAK is the logical result of good NAV performance and hence track record; and (3) a narrowing of the discount was seen during 2006, after the approval at an extraordinary general assembly of a capital reduction to absorb losses carried forward (allowing Quest to reinitiate dividend payments), the initiation of a buy back program and strong FY06 results, with several IPOs for the unquoted portfolio unlocking value and with strong quoted performance. The strong FY06 performance (ROE: 22.5%) allowed for a €1.96 dividend on €10 NAV per share. Put otherwise, we

argue that the dividend is the icing on the track-record cake and should trigger a substantial narrowing of the discount, as happened in past periods.

Given the limited difference between the fiscal treatment of a dividend and a capital gain for a PRIVAK, the difference in outcome is small and hence we argue that investors should be indifferent between these two methods of capital disbursement.

Fig 5 Historical dividend versus the discount

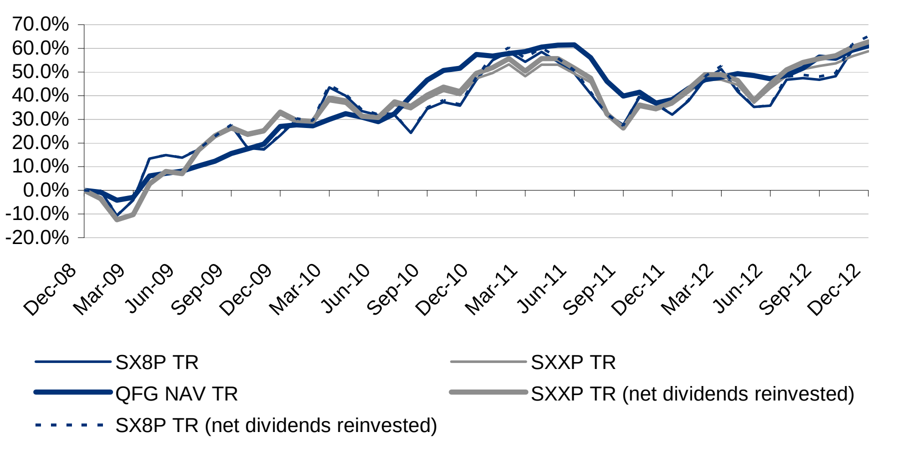


Source: Company data

And therefore expect reinitiating of significant dividend payments to be a trigger to narrow the discount to NAV. However, we view full reversal of retained losses to allow dividend payments in FY14 as challenging

Quest posted a strong FY09-FY12 NAV cumulative total return of 61%, in line with the DJ Stoxx 600 and DJ Stoxx Europe Technology indices.

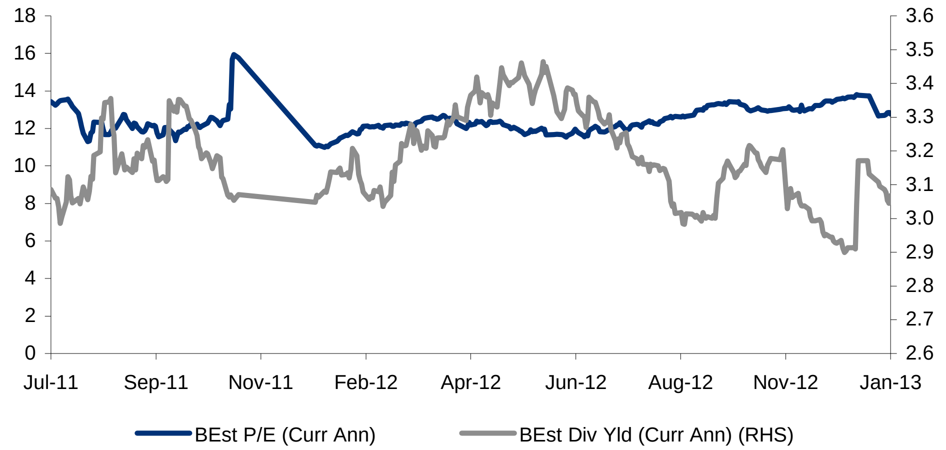
Fig 6 FY09-12 cumulative total return



Source: ING estimates

In view of the FY12 +17.2% NAV performance (DJ Stoxx 600: +17.3%), we estimate retained losses will have diminished to a mere €3.7m, implying that a 4.9% FY13 gross return on the whole portfolio is needed to erase the post Lehman legacy. Still, given current unsupportive exit markets, we do not see significant value unlocking transactions and hence look for only limited contribution from the unquoted portfolio. As such, we calculate that the quoted portfolio should post a 7.7% FY13 gross return to nullify the losses carried forward. Taking into account the quoted portfolio's present valuation, it would either take an 8% positive FY13 earnings surprise (with 38% YoY earnings growth, compared to the 27% YoY consensus expectation) or an 8% multiple expansion (to 14x PER13F). We see this as challenging, noting the current macro environment and the present 3% quoted portfolio dividend yield for 2013F.

Fig 7 Quest quoted portfolio valuation



Source: Bloomberg

Our valuation points towards a fair value of €6.5 per share, implying 6.5% upside. We consequently initiate with a HOLD rating

Our model is built around the different asset classes in Quest's investment portfolio, appraising the quoted portfolio at market value on our valuation date and using Quest's latest monthly published value for the unquoted portfolio.

We derive our €6.5 target price by applying a target discount of 30% to our estimated NAV per share. We deem a 30% target discount fair, given Quest's risk profile, liquidity, market cap and track record.

Risks

Quest's share price and NAV performance are heavily geared towards general stock market performance. Any re-rating triggered by positive macro-economic or political developments could lift Quest's NAV and trigger a narrowing of the discount. Conversely, any equity market sell-off triggered on the back of negative macro-economic or political developments could hit Quest's NAV and hence a widening of the discount.

Valuation

Our model is built around the different asset classes in Quest's investment portfolio, appraising the quoted portfolio at market value on our valuation date and using and using Quest's latest monthly published value for the unquoted portfolio.

Fig 8 ING NAV calculation

Shareholding	Ticker	No. shares	Share price (as at 14.01.13)	Shareholding value (€m)	% NAV
Software & Services					
Econocom	ECONB BB	787,260	5.78	4,550,363	4.3
Init Innovation	IXX GY	114,000	25	2,850,000	2.7
Nemetscheck	NEM GY	113,000	34.6	3,909,800	3.7
SAP	SAP GY	35,000	61.06	2,137,100	2.0
Total				***13,447,263***	**12.91**
Technology Hardware					
EVS Broadcast	EVS BB	102,000	44.2	4,508,400	4.2
LEM Holdings	LEHN SW	4,869	448.4	2,183,412	2.0
LKF Laser & Elec.	LPK GY	110,000	17.0	1,864,500	1.7
Tomra Systems	TOM NO	300,000	6.3	1,903,035	1.8
Total				***10,459,347***	**10.04**
Pharma & Biotech					
TEVA PH	TEVA US	60,000	28.5	1,709,924	1.6
Total				***1,709,924***	**1.64**
Healthcare Equipment & Services					
Fresenius	FRE GY	25,000	82.7	2,067,500	1.9
Gerresheimer	GXI GY	70,000	39.1	2,740,150	2.6
Nexus	NXU GY	225,000	9.2	2,065,500	1.9
Pharmagest Int	PHA FP	40,000	62.3	2,492,000	2.3
Sphere medical	SPHR LN	810,031	0.85	686,979	0.6
United Drug	UDG LN	1,075,786	3.2	3,485,095	3.3
Total				***13,537,224***	**12.99**
Electrical & Engineering					
Andritz	ANDR AV	90,000	48.8	4,394,250	4.1
Arcadis	ARCAD NA	250,000	18.8	4,710,000	4.4
Faiveley	LEY FP	15,000	52.0	780,000	0.7
Imtech	IM NA	180,000	18.9	3,406,500	3.2
Kendrion	KENDR NA	104,860	17.9	1,876,994	1.8
Centrotec	CEV GY	100,000	14.0	1,395,500	1.3
Saft Groupe	SAFT FP	70,000	18.3	1,281,000	1.2
Schaltbau HLD	SLT GY	58,000	34.0	1,972,000	1.8
Total				***19,816,244***	**19.02**
Semiconductors					
Melexis	MELE BB	193,000	13.7	2,642,170	2.5
Total				***2,642,170***	**2.54**
Materials					
Umicore	UMI BB	85,000	39.5	3,360,900	3.1
Total				***3,360,900***	**3.23**
Total value listed				**64,973,071**	**60.9**
Unlisted stakes				**22,315,557**	**20.9**
Funds				**16,110,200**	**15.1**
Loans				**3,639,753**	**3.4**
Amortizations/provisions				**(2,858,018)**	
Portfolio value				**104,180,563**	
Cash/(Debt)				1,866,502	**1.75**
Other net assets				660,758	**0.62**
Equity Value (NAV)				**106,707,823**	
No. shares (m)				11,529,950.0	
NAV per share				9.25	
Target discount (%)				30	
Target price				6.50	

Source: ING estimates

We derive our €6.5 target price by applying a target discount of 30% to our estimated NAV per share. We deem a 30% target discount fair given Quest's specific profile, low market capitalisation, low liquidity and mixed track record. The FY04-12 average historical discount amounts to 32%

Sensitivity analysis

Fig 9 QFG sensitivity discount analysis

Target discount	50%	40.0%	30%	20%	10%	0%
TP (€)	4.6	5.6	6.5	7.4	8.3	9.3

Source: ING estimates

Company profile

Quest for Growth is a closed-end investment fund with a focus on European growth companies in the ICT, Healthcare and Cleantech sector. Quest is structured as a Private Equity BEVAK (Privak) and is listed on Euronext Brussels since September 1998. Assets under management amounted to €107m on 31 December 2012. Quest for Growth's mission is to create value and consequently transfer the value in a tax efficient manner to its shareholders. .

PRIVAK

The PRIVAK is a Belgian legal structure created in 1997. The main ambition of the Belgian government was to attract passive investors to venture capital and private equity and so provide a lift to the Belgian economy. In order to reach its goals, the PRIVAK has been granted important tax benefits.

Tax benefits for retail investors:

- No withholding tax is owned on the part of the dividend that stems from achieved capital gains.
- No income tax is due on capital gains realized upon the sale of the shares of the PRIVAK.

Tax benefits for institutional investors:

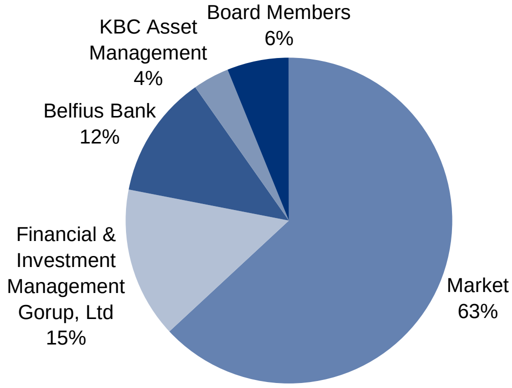
- No withholding tax is owned on the part of the dividend that stems from capital gains the PRIVAK realizes.
- Distributed dividends are eligible for Dividend-Received Deduction.

To profit from this advantageous tax treatment the PRIVAK needs to adhere to specific investment rules:

- A minimum of 50% of the portfolio must be invested in equity.
- A minimum of 70% of the portfolio (qualified investments) must be invested in either (1) unquoted companies; (2) companies listed on a growth market or (3) Venture Funds with an investment policy similar to the PRIVAK. The investment in listed companies on a growth market can not exceed 50% of the qualified investments.
- Maximum shareholding in one and the same company is limited to 5% of the total investment portfolio and to €6.2m in one company, over one year.
- A minimum of 80% of profit needs to be distributed through dividends. Quest articles require at least a 90% distribution of profits.

Shareholding

Fig 10 Quest for Growth shareholding



Source: Company data

Quest for growth has 11.529.950 shares outstanding of which 11.528.950 are ordinary shares, 750 Class A shares and 250 Class B shares. Class A and B shares are preference shares and are held by (1) some of the founders and certain strategic shareholders and (2) the asset manager.

Financial Investment Management Group Ltd is a US value investor with a long term perspective.

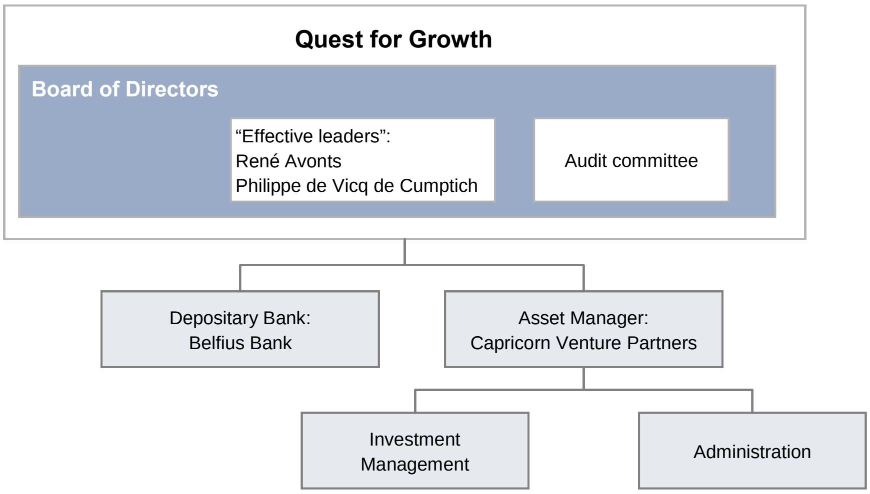
Belfius Bank is a Belgian financial institution. Its shareholding is allocated to its insurance portfolio. Belfius is represented on the board level by Dirk Vanderschrik.

KBC Asset Management has been a holder of Quest since 1998.

Company structure

At an extraordinary general meeting held on 29 November 2012, Quest shareholders approved considerable modifications to the company's articles of association. The changes were triggered by the merger of Quest's former asset manager, Quest Management NV, and the new, related, asset manager Capricorn Venture Partners. The main modifications implemented encompassed: (1) the composition and election of the Board of Directors; (2) the preferred dividend of the Class A and B shareholders; and (3) general administrative modifications. The modifications were implemented to strengthen Quest's corporate governance.

Fig 11 Structure Quest For Growth



Source: Company data

Board of directors

The former articles of association gave the annual general meeting of Quest shareholders the authority to appoint a minimum of 11 and a maximum of 15 board members. A minimum of 4 board members had to be chosen from a list presented by the A class shareholders and 4 from a list presented by the B class shareholders. The chairman of the board was chosen from the list of the A class shareholders. Besides the A and B shareholders, the ordinary shareholders had the right to propose a list of candidates from which a maximum of 7 board members could be chosen.

The amendments approved by the extraordinary general meeting on 29 November limit the number of board members to 12. A maximum of 2 board members each have to be chosen from a list presented by both the A and B class shareholders (4 in total). The chairman of the board can be chosen from all lists. In line with other ICB's Quest removed the asset manager from the board of directors. Hence, Capricorn Venture Partners is not directly represented on Quest's board. However, we note that Jos B. Peeters, the managing partner of Capricorn Venture Partners and the former chairman of Quest's board, is still a member of the board.

From a practical point of view, the Board still comprises 12 members, the same number as before the revision of the articles of association. Independent board members are rewarded with an annual fixed fee of €7,500 and an additional €500 fee for each Board meeting, Audit committee meeting or Investment committee meeting attended.

The board can be summoned by the chairman, one of the "effective leaders" (see below), or two directors. Decisions are valid when at least half of the directors are present (and at least half of the directors representing both class A and class B shares). Decisions are made by simple majority. Within the board, two members are charged with the effective leadership of Quest for Growth. The effective leadership encompasses the daily administrative duties of Quest, supervision of the asset management agreement, and financial reporting.

Fig 12 Quest for Growth Board of Directors

Function	Name	Representative	
Chairman	ADP Vision BVBA	Antoon De Proft	Independant
	René Avonts BVBA	Rene Avonts	
	Auxillium Keerbergen BVBA	Dhr Frans L. Theeuwes	
	Dhr. Jos B. Peeters		
	Axxis BVBA	Philippe de Vicq de Cumptich	Independant
	Baron Bernard de Gerlache de Gomery		Independant
	De Meiboom NV	Edward Claeys	
	Euro Invest Management NV	Prof. Phillippe Haspeslagh	
	Gengest BVBA	Rudi Mariën	
	Pamica NV	Michel Akkermans	
	Regine Slagmulder BVBA	Prof. Regine Slagmulder	Independant
	Dirk Vanderschrick		

Source: Company data

Preference shares

The holders of Class A and B shares are entitled to a preference dividend. While the amendments did not revoke this right, the steps required to appraise the level of the preference dividend were revised.

Formerly the level of the dividend was calculated by the following formula:

- Preference dividend = 20% of the annual return in excess of the return on a 10 year bund + 1.5% risk premium.

After the amendments, the level of the dividend is calculated as follows:

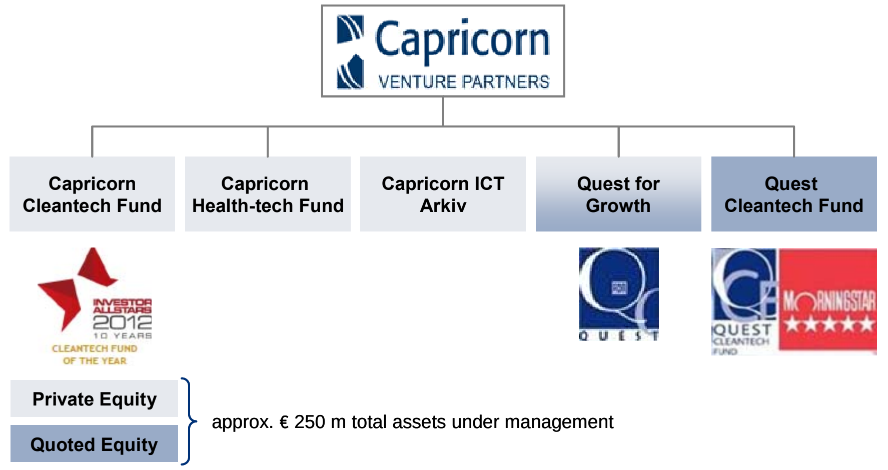
- Preference dividend = 20% of the annual return in excess of a 6% return on the start of year NAV.

We remind investors that Class A and B shares only represent 1,000 of a total of 11.5m outstanding shares.

Asset manager

On 16 February 2012, Capricorn Venture Partners merged with Quest Management NV, replacing Quest Management as asset manager of Quest for Growth NV. Capricorn Venture Partners was established in 1993 as a joint venture between Dr Jos B. Peeters and Baring Venture Partners Ltd. Since December 1999, Capricorn Venture Partners is a fully partner-owned independent investment advisory and management firm. Capricorn Venture Partners at present has c.€250m in assets under management.

Fig 13 Structure Capricorn Venture Partners



Source: Company data

At the time of the merger, the asset management agreement between Quest for Growth and Capricorn Venture Partners (formerly Quest Management) was revised. The main change implemented comprised of (1) a revision of the annual asset management fee and (2) an update of the investment strategy for 3rth party funds and unquoted direct investments.

Costs structure

Fig 14 Quest for Growth cost structure

	1H12	2011	2010	2009	2008	2007
Costs	990,135	1,904,226	1,973,725	2,281,376	2,688,514	2,616,901
Net Asset Value	96,853,774	91,101,307	106,009,655	85,441,572	67,365,307	115,769,735
% of NAV	2.0	2.1	1.9	2.7	4.0	2.3

Source: Company data

The cost structure is driven by: (1) the management fee of the asset manager; (2) fees for auditors and custodial services; (3) board member fees; (4) transaction fees; and (5) general administrative expenses

Before the revision, the asset management fee comprised of a €1.5m fixed fee for Quest Management NV. This has been revised at the time of the merger:

- Going forward, the management fee for investment management services is to be based on the rolling average of assets under management over the previous four quarter-ends. It is to be based on 1% for quoted equity and third party funds, 2% for direct investments in unquoted holdings and 0% for investments in Capricorn Venture Funds.
- A fixed annual administration fee is to be set at €500,000 for the year ending 31 March 2013, declining to €400,000 for the year ending 31 March 2014 and €300,000 for every year after that.
- There are no double fees for investments in Capricorn venture funds.

Investment strategy

Quoted

Quest for Growth runs a bottom-up, long only, actively managed GARP strategy based on fundamental analysis for its quoted portfolio. In terms of company specific characteristics it focuses on minority participations in small- and medium sized capitalisation companies that are active in the ICT, Healhcare and Cleantech sectors and with a geographical centre of gravity in Europe. Maximum investment per company is limited to 5% of NAV. Quest does not mirror any benchmark. No leverage is used. Derivatives are used for both hedging and trading purposes (but need to be covered by cash or stocks). The holding period varies, and healthy asset rotation is applied.

Unquoted

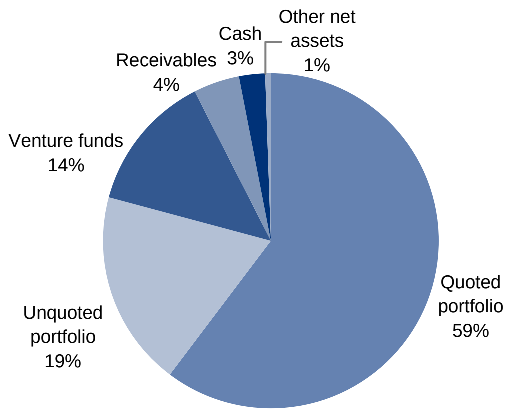
The unquoted part of the portfolio comprises both direct and third party fund investments. As mentioned above the reviewed asset management agreement updated the investment strategy for unquoted direct shareholdings. New investments in unquoted holdings will be exclusively executed through Capricorn Venture Partners funds. Quest will gradually wind down the existing portfolio of direct investments, without excluding further future investments in the current holdings, and third party funds. A further change is that Quest for Growth, through Capricorn Venture Partners, will target all stages of venture capital (former only pre-IPO stage) and will strive for active engagement with board membership by obtaining substantial larger stakes.

Asset allocation

The board bears responsibility for the asset allocation decision. Target asset allocation between quoted and unquoted is 50/50 vs 60/40 at present.

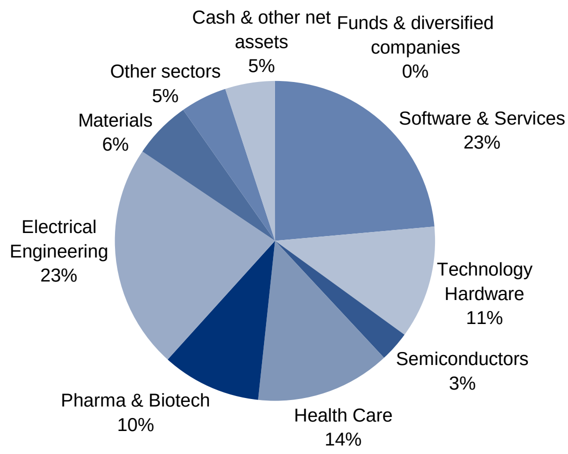
Portfolio

Fig 15 Portfolio breakdown per asset class



Source: Company data, November 2012

Fig 16 Portfolio per sector



Source: Company data, September 2012

Fig 17 Top ten quoted holdings

Company	Country	Activity	% of NAV
Andritz	Austria	Plant engineering for Hydro power, pulp & paper	4.30
EVS	Belgium	Digital image-processing systems for TV broadcasters	4.20
Imtech	Netherlands	Technical services	3.90
Arcadis	Netherlands	Engineering consultancy	3.80
Nemetschek	Germany	Building software	3.70
Econocom	Belgium	IT infrastructure management	3.60
United Drug	Ireland	Healthcare services	3.60
Umicore	Belgium	Materials technology	3.30
SAP	Germany	Business software	2.50
Gerresheimer	Germany	Glass and plastic products for pharma packaging	2.40

Source: Company data

Track record

Fig 18 Cumulative total return 2008-2012, dividends not reinvested (%)

	QFGB NAV	MXEU	SX8P	BEL20	SXXP	α vs MXEU	α vs SX8P	α vs BEL20	α vs SXXP
2008	-41.6	-42.3	-47.8	-49.9	-42.2	1	6	8	1
2009	27.0	31.1	23.3	35.2	32.3	-4	4	-8	-5
2010	24.0	11.4	19.4	6.0	12.1	13	5	18	12
2011	-12.1	-7.5	-10.3	-15.5	-7.8	-5	-2	3	-4
2012	17.2	17.2	24.6	23.7	18.4	0	-7	-7	-1
5 year	-5.7	-11.6	-16.4	-27.7	-9.8	6	11	22	4

Source: ING, Bloomberg

The negative 5 year return is a clear proof of equity markets' poor performance over the last 5 years. Despite the difficult market environment Quest for Growth posted strong performance over the last 5 years, outperforming MXEU, SX8P, BEL20 and SXXP.

Fig 19 Cumulative total return 2008-2012, dividends not reinvested (%)

	QFGB Price	MXEU	SX8P	BEL20	SXXP	α vs MXEU	α vs SX8P	α vs BEL20	α vs SXXP
2008	-61.9	-42.3	-47.8	-49.9	-42.2	-19.6	-14.1	-12.0	-19.7
2009	47.6	31.1	23.3	35.2	32.3	16.5	24.3	12.4	15.3
2010	14.2	11.4	19.4	6.0	12.1	2.8	-5.2	8.1	2.1
2011	-10.5	-7.5	-10.3	-15.5	-7.8	-3.1	-0.2	4.9	-2.8
2012	20.0	17.2	24.6	23.7	18.4	2.8	-4.6	-3.7	1.6
5 year	-32.1	-11.6	-16.4	-27.7	-9.8	-20.6	-15.8	-4.4	-22.4

Source: ING, Bloomberg

The fund's strong performance has however not translated into share price return, hurt by the punitive impact of a disadvantageous discount fluctuation. If we were to run the exercise with dividends reinvested then the difference would only enlarge as Quest paid only one 5 cent dividend in the 2008-12 period (in March 2008).

Fig 20 Monthly return analysis

	NAV	Price	SX8P	SXXP
2008-2012				
Average monthly return (%)	-0.02	-0.28	-0.03	0.00
stdev monthly return	0.041	0.083	0.069	0.053
Sharpe (RF at 0%)	-0.5	-3.4	-0.5	0.1
2009-2012				
Average monthly return (%)	1.03	1.47	1.20	1.12
Stdev monthly return	0.027	0.069	0.057	0.046
Sharpe (RF at 0%)	38.7	21.2	21.1	24.6
2010-2012				
Average monthly return (%)	0.69	0.66	0.94	0.63
Stdev monthly return	0.024	0.044	0.052	0.038
Sharpe (RF at 0%)	28.6	15.0	18.1	16.5

Source: ING, Bloomberg

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