

MANAGEMENT INTERNALISATION JUNE 2012 TAX FAQs

Dear Securityholders, please note that the information below does not constitute financial / taxation advice. Please use information below to seek appropriate financial / taxation advice that is suitable for your circumstances.

1. What are the tax consequences for me now that an ILF stapled security has become an INA stapled security?

As per the ILF Unitholder Meeting Booklet that was issued to unitholders on 26 April 2012, as set out on pages 15 and 47, a capital distribution of 1.3604542 cents was made for each ILF stapled security. The capital distribution reduces the cost base of the ILF Fund of the ILF stapled security only. To the extent that your cost base of the ILF Fund is reduced to zero, any excess amount gives rise to a capital gain. The capital distribution was used to subscribe for Ingenia Communities Holdings Limited (IGCH) shares on your behalf therefore the capital distribution becomes part of your cost base of the IGCH shares. For more details, please refer to page 105 of the Meeting Booklet for the Taxation Report in the Meeting Booklet.

2. What is my cost base in the ILF stapled security before it became INA security?

Your ILF stapled security was made up of your interest in ILF Fund and ILF Trust.

To work out your cost base in ILF Fund and ILF Trust, you will need to apportion your cost base in the ILF stapled security between the ILF Fund and the ILF Trust on a reasonable basis. If you do not know how to apportion the cost base, please seek advice from your accountant. To assist you and your accountant, we have included below the Net Asset Value (NAV) of ILF Fund and ILF Trust at 30 June for 2007 to 2011, and at 31 December 2010 and 2011.

30 June 2007

ILF Fund: \$1.21 (page 45 of the 2007 Annual Report)

ILF Trust: \$0.01 (page 7 of ING Real Estate Community Living Management Trust 2007 Financial Report)

TOTAL NAV for ILF for FY07 = \$1.22

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30 June 2008

ILF Fund: \$0.90 (page 46 of 2008 Annual Report)

ILF Trust: \$0.04 (page 7 of ING Real Estate Community Living Management Trust 2008 Financial Report)

TOTAL NAV for ILF for FY08 = \$0.94

30 June 2009

ILF Fund: \$0.37 (page 7 of 2009 Annual Report)

ILF Trust: \$0.03 (page 7 of ING Real Estate Community Living Management Trust 2009 Financial Report)

TOTAL NAV for ILF for FY09 = \$0.40

30 June 2010

ILF Fund: \$0.25 (page 35 of 2010 Annual Report)

ILF Trust: \$0 (page 35 of 2010 Annual Report)

TOTAL NAV for ILF for FY10 = \$0.25

31 December 2010

ILF Fund: \$0.26 (page 8 of Half Year 2011 Account)

ILF Trust: \$0.00 (page 8 of Half Year 2011 Account)

TOTAL NAV for ILF for half year to 31 December 2010 = \$0.26

30 June 2011

ILF Fund: \$0.26 (page 21 of 2011 Annual Report)

ILF Trust: \$0.00 (page 21 of 2011 Annual Report)

TOTAL NAV for ILF for FY11 = \$0.26

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31 December 2011

ILF Fund \$0.32 (page 8 of Half Year 2012 Accounts)

ILF Trust: \$0.01 (page 8 of Half Year 2012 Accounts)

TOTAL NAV for half year to 31 December 2011 = \$0.33

Once you have worked out your cost base in ILF Fund and ILF Trust, you have to reduce your cost base in ILF Fund by the amount of the capital distribution and any tax deferred distributions you have received in the past. Please refer to the last page of this document (Appendix) for the table of past tax deferred distributions from 2005.

3. Did I receive any tax deferred distributions in the past and do I reduce the cost base of the ILF Fund or the ILF Trust by the amount of the tax deferred distributions?

Please refer to the last page of this document (Appendix) for the table of past tax deferred distributions from 2005.

You reduce your cost base in ILF Fund by the amount of tax deferred distributions. ILF Trust is a public trading trust for tax purpose and did not make tax deferred distributions.

4. What is the cost base of my INA security?

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Each of your INA security is made up of your interest in ILF Fund, ILF Trust and Ingenia Communities Holdings Ltd (ICHL) in the ratio of 1:1:1. The cost base of your IGCH shares includes the capital distribution which was used to subscribe shares in IGCH of 1.3604542 cents per security.

To work out your cost base in ILF Fund and ILF Trust, you will need to apportion your cost base in the ILF stapled security between the ILF Fund and the ILF Trust on a reasonable basis. If you do not know how to apportion the cost base, please seek advice from your accountant. To assist you and your accountant, we have included below the net asset value of ILF Fund and ILF Trust at 30 June for 2007 to 2011, and at 31 December 2010 and 2011.

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Appendix:

Past Tax Deferred Distributions - cents per unit

	FY2005	FY2006	FY2007	FY2008	FY2009
Quarter 1	2.0625	2.35	2.5728	2.4486	1.5
Quarter 2	2.0625	2.47	2.5728	2.4486	No distribution made
Quarter 3	2.0625	2.48	2.5728	2.4486	No distribution made
Quarter 4	2.0625	2.48	2.5728	2.0637	No distribution made

**Please note: ILF did not pay distributions in FY2010 and FY2011