

# ING Real Estate Community Living Group

Unitholder Meeting  
31 May 2012

Michael Coleman  
Independent Chairman  
ING Management Limited



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# Michael Coleman

Independent Chairman

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# Agenda

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# Chairman's welcome

IML Directors	Ingenia Communities Group Directors	Executives
<b>Michael Coleman</b> Independent Chairman	<b>Jim Hazel</b> Independent Chairman	<b>Greg Inkson</b> REIMA CEO
<b>Philip Clark</b> Independent Director	<b>Amanda Heyworth</b> Independent Director	<b>Sarah Wiesener</b> IML Company Secretary
<b>Michael Easson</b> Independent Director	<b>Simon Owen</b> Managing Director	<b>Simon Owen</b> CEO – ILF

# Purpose of the meeting

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- > To consider the proposal presented to unitholders in the Notice of Meeting and Explanatory Memorandum dated 26 April 2012, relating to the following matters:

**For a recommended proposal for the management of ING Real Estate Community Living Fund and ING Real Estate Community Management Trust (ILF Group) to be internalised through:**

- 1. the issue of shares in Ingenia Communities Holdings Limited (IGCH) to unitholders of the ILF Group;**
- 2. the change of the responsible entity of the ILF Group from ING Management Limited (IML) to Ingenia Communities RE Limited (New RE) (a wholly owned subsidiary of IGCH);**
- 3. the stapling of each share in IGCH to each existing stapled security in ILF Group to form a new stapled security**

**A fourth resolution presented for unitholder approval is the grant of quantum rights to Managing Director Simon Owen.**

- > 50% of votes cast by eligible unitholders are required to pass Resolutions One, Three and Four
- > 75% of votes cast by eligible unitholders are required to pass Resolution Two
- > Resolution One, Two and Three of both schemes are interconditional, will only be passed if each resolution is passed by the requisite number of votes. Resolution Four is a stand-alone.

# Background to the Proposal

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## ING's phased withdrawal

- > In June 2010, ING Group announced a strategic review of its global real estate investment management platform
- > In February 2011, phased withdrawal from the Australian real estate investment management operations announced
- > ILF is the last of the five listed property funds which REIMA has managed

## Internalisation of management as the preferred strategy

- > On 28 March 2012, IML Independent Directors concluded after six months of deliberation that internalisation was the preferred strategy, in the absence of a superior alternative

# Alternatives considered

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- > Offers for the existing stapled securities in the ILF Group
- > Merger with another party
- > An orderly disposal of assets
- > A change of responsible entity
- > Internalisation of management

# What internalisation means to unitholders?

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- > In plain English, what does internalisation mean to unitholders?
- > What are the internalisation proposal mechanics from the perspective of unitholders?
- > Commonly asked questions
  - Fund strategy for Ingenia Communities Group
  - Executive Remuneration
  - Recommencement of distributions

# Benefits of the Proposal

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- > Independent Directors consider the Proposal is in the best interests of unitholders, in the absence of a superior alternative
- > Independent Expert concluded that the Proposal is fair and reasonable and is therefore in the best interests of Non-Associated Unitholders, in the absence of a superior alternative
- > Benefits of an internalised structure may include:
  - Minimisation of any perceived conflicts between manager and investors
  - Greater alignment of interest between manager and investors
  - Enhanced board accountability
- > ING to provide financial support to assist with a smooth transition for internalisation

# Why you might vote against the proposed Resolutions

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- > Do not agree with the conclusion of the Independent Directors
- > Do not agree with the conclusion of the Independent Expert
- > Do not think the Financial Support provided by ING is sufficient
- > Incremental cost base resulting from the Proposal will result in incremental operational leverage risk
- > Incremental cost base from internalisation may be higher
- > Potential dilution from long term incentive plan
- > Loss of ING expertise and investment exposure
- > Another responsible entity may be better placed to manage the ILF Group
- > Your personal taxation position outweighs the benefits of the Proposal
- > Proposal disadvantages Foreign Resident Holders as their interests have to be compulsorily cashed out
- > Risks associated with the Proposal outweigh any potential benefits

# Formal business of the meeting



# Admission cards


## Voting Card



ING Real Estate Community Living Group  
ING Real Estate Community Living Management Trust (ARSN 122 928 410)  
ING Real Estate Community Living Fund (ARSN 107 459 576)  
Responsible Entity:  
ING Management Limited ABN 15 006 065 032

**Unitholder Meeting**  
  
31 May 2012

**SECURITYHOLDER / PROXYHOLDER  
ADMISSION / VOTING CARD**

  
00001

**POLL VOTING**  
  
In a poll, please mark a box below to indicate your voting intention.


**ING Real Estate Community Living Fund (ILF Fund)**

	For	Against	Abstain
<b>Resolution One – Ordinary resolution</b> Change of responsible entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Two – Special resolution</b> Amendments to the constitution of ILF Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Three – Ordinary resolution</b> Approval of the Proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Four – Ordinary resolution</b> Grant of quantum rights to Simon Owen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**ING Real Estate Community Living Management Trust (ILF trust)**


	For	Against	Abstain
<b>Resolution One – Ordinary resolution</b> Change of responsible entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Two – Special resolution</b> Amendments to the constitution of ILF Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Three – Ordinary resolution</b> Approval of the Proposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution Four – Ordinary resolution</b> Grant of quantum rights to Simon Owen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Non-Voting Cards



**ING Real Estate Community Living Group**  
Comprising of ING Real Estate Community Living Management Trust  
(ARSN 122 928 410) and  
ING Real Estate Community Living Fund (ARSN 107 459 576)  
Responsible Entity: ING Management Limited ABN 15 006 065 032

**UNITHOLDER MEETING**  
  
Thursday, 31 May 2012  
  
**Non Voting Unit Holder Admission Card**

  
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As a non-voting unit holder you are reminded that whilst you are entitled to speak at this meeting, you are not entitled to vote.



**ING Real Estate Community Living Group**  
Comprising of ING Real Estate Community Living Management Trust  
(ARSN 122 928 410) and  
ING Real Estate Community Living Fund (ARSN 107 459 576)  
Responsible Entity: ING Management Limited ABN 15 006 065 032

**UNITHOLDER MEETING**  
  
Thursday, 31 May 2012  
  
**Visitor Admission Card**

As a visitor you are reminded that you are not entitled to speak or vote at this meeting.

# Proposed Resolutions

## Resolution One for ILF Trust and ILF Fund: Change of responsible entity

To consider, and if thought fit, approve as an ordinary resolution:

***“That, subject to and conditional on the passing of Resolutions Two and Three and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate Community Living Fund (ARSN 107 459 576)** dated 26 April 2012:***

- a) ING Management Limited retire as responsible entity of ING Real Estate Community Management Trust;***
- b) upon the retirement of ING Management Limited as responsible entity of ING Real Estate Community Living Fund, Ingenia Communities RE Limited be chosen as the new responsible entity of ING Real Estate Community Living Management Trust in accordance with section 601FL of the Corporations Act 2001 (Cth); and***
- c) ING Management Limited as responsible entity of ING Real Estate Community Living Fund be authorised to do all things necessary to give effect to this resolution, including without limitation, lodge with the Australian Securities and Investments Commission a Form 5107 for ING Real Estate Community Living Management Trust in relation to the change of responsible entity referred to in paragraphs a) and b) of this resolution.”***

To consider, and if thought fit, approve as an ordinary resolution:

***“That, subject to and conditional on the passing of Resolutions Two and Three and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate Community Living Management Trust (ARSN 122 928 410)** dated 26 April 2012:***

- a) ING Management Limited retire as responsible entity of ING Real Estate Community Living Fund;***
- b) upon the retirement of ING Management Limited as responsible entity of ING Real Estate Community Living Fund, Ingenia Communities RE Limited be chosen as the new responsible entity of ING Real Estate Community Living Fund in accordance with section 601FL of the Corporations Act 2001 (Cth); and***
- c) ING Management Limited as responsible entity of ING Real Estate Community Living Fund be authorised to do all things necessary to give effect to this resolution, including without limitation, lodge with the Australian Securities and Investments Commission a Form 5107 for ING Real Estate Community Living Fund in relation to the change of responsible entity referred to in paragraphs a) and b) of this resolution.”***

# Proposed Resolutions

## Resolution Two: Amendments to the constitution of ILF Trust and ILF Fund

To consider, and if thought fit, to pass the following resolution as a special resolution:

***“That, subject to and conditional on the passing of Resolutions One and Three and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate*****

***Community Living Fund (ARSN 107 459 576) dated 26 April 2012:***

- a) ***the constitution of ING Real Estate Community Living Management Trust be amended as set out in Attachment D of the Notice of Unitholders’ Meetings and Explanatory Memorandum to unitholders dated 26 April 2012 (Explanatory Memorandum); and***
- b) ***ING Management Limited as the responsible entity of ING Real Estate Community Living Management Trust be authorised to do all things necessary to give effect to this resolution, including without limitation, to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in paragraph a) of this resolution.”***

To consider, and if thought fit, to pass the following resolution as a special resolution:

***“That, subject to and conditional on the passing of Resolutions One and Three and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate*****

***Community Living Management Trust (ARSN 122 928 410) dated 26 April 2012:***

- a) ***the constitution of ING Real Estate Community Living Fund be amended as set out in Attachment D of the Notice of Unitholders’ Meetings and Explanatory Memorandum to unitholders dated 26 April 2012 (Explanatory Memorandum); and***
- b) ***ING Management Limited as the responsible entity of ING Real Estate Community Living Fund be authorised to do all things necessary to give effect to this resolution, including without limitation, to execute and lodge with the Australian Securities and Investments Commission a supplemental deed in relation to the amendments referred to in paragraph a) of this resolution.”***

# Proposed Resolutions

## Resolution Three: Approval of the Proposal for ILF Trust and ILF Fund

To consider, and if thought fit, approve as an ordinary resolution:

***“That, subject to and conditional on the passing of Resolutions One and Two and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate Community Living Fund (ARSN 107 459 576)** dated 26 April 2012, approval is given for the Proposal.”***

To consider, and if thought fit, approve as an ordinary resolution:

***“That, subject to and conditional on the passing of Resolutions One and Two and the passing of Resolutions One, Two and Three as set out in the Notice of Unitholders’ Meeting for **ING Real Estate Community Living Management Trust (ARSN 122 928 410)** dated 26 April 2012, approval is given for the Proposal.”***

# Proposed Resolutions

## Resolution Four: Grant of quantum rights to Simon Owen for ILF Trust and ILF Fund

To consider, and if thought fit, approve as an ordinary resolution:

*“That, subject to and conditional on the implementation of the Proposal described in the Notice of Unitholders’ Meetings and Explanatory Memorandum for ING Real Estate Community Living Group comprising ING Real Estate Community Living Fund (ARSN 107 459 576) and ING Real Estate Community Living Management Trust (ARSN 122 928 410) dated 26 April 2012, approval is given for all purposes, including for the purposes of ASX Listing Rule 10.14, to the acquisition by the Managing Director and Chief Executive Officer, Simon Owen, under the Ingenia Communities Long-term Incentive Scheme of each of the performance quantum rights and retention quantum rights no later than 12 months after the date of this meeting and the New Stapled Securities on the vesting of some or all of those performance quantum rights and retention quantum rights on the terms set out in the Notice of Unitholders’ Meetings and Explanatory Memorandum for ING Real Estate Community Living Group comprising **ING Real Estate Community Living Fund (ARSN 107 459 576)** and **ING Real Estate Community Living Management Trust (ARSN 122 928 410)** dated 26 April 2012.”*

# Proposed Resolutions for both schemes

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- > Resolution One: Change of responsible entity
- > Resolution Two: Amendments to the constitution of **ILF Fund**
- > Resolution Three: Approval of the Proposal
- > Resolution Four: Grant of quantum rights to Simon Owen

- > Resolution One: Change of responsible entity
- > Resolution Two: Amendments to the constitution of **ILF Trust**
- > Resolution Three: Approval of the Proposal
- > Resolution Four: Grant of quantum rights to Simon Owen

# Proxy votes

As at Proxy submission close – 10.00am Tuesday 29 May 2012 (48 hours prior to the Unitholder Meeting)

Resolution #	Resolution Description	For		Against		Abstain	Open
		Units Votes	% of Units Votes For/Against	Units Votes	% of Units Votes For/Against	Units Votes	Units Votes
<b>Resolutions in relation to ILF Trust</b>							
1	Change of RE	235,295,849	99.72	668,364	0.28	5,578,739	335,185
2	Amendment to constitutions of ILF Trust	205,775,067	99.65	730,290	0.35	5,678,739	245,034
3	Approval of the Proposal	205,780,067	99.67	675,290	0.33	5,728,739	245,034
4	Grant of quantum rights to Simon Owen	191,620,796	92.91	14,617,873	7.09	6,082,043	245,034
<b>Resolutions in relation to ILF Fund</b>							
1	Change of RE	236,695,081	99.62	900,097	0.38	5,577,427	335,185
2	Amendment to constitutions of ILF Trust	207,043,191	99.54	954,931	0.46	5,817,627	245,034
3	Approval of the Proposal	207,036,099	99.56	912,023	0.44	5,867,931	245,034
4	Grant of quantum rights to Simon Owen	192,632,286	92.84	14,854,606	7.16	6,462,931	245,034

# Next steps

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- > Final results of the voting poll will be announced on the ASX
- > Ingenia Communities Group to recommence trading on a deferred settlement basis on 5 June 2012
- > Ingenia Communities Group new ASX ticker is 'INA' and this change will only happen as at 13 June 2012. The Fund will continue to trade under the existing trading name 'ILF Group' and ASX ticker 'ILF' until that date
- > Ingenia Communities Group results forecast to be released on 29 August 2012

## Close of meeting

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Thank You for your attendance



# Disclaimer

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This presentation was prepared by ING Management Limited (ABN 15 006 065 032) (the "Responsible Entity") in respect of ING Real Estate Community Living Fund (ARSN 107 459 576) and ING Real Estate Community Living Management Trust (ARSN 122 928 410) (together ING Real Estate Community Living Group, ILF or the Fund). Information contained in this presentation is current as at 31 May 2012. This presentation is provided for information purposes only and has been prepared without taking account of any particular reader's financial situation, objectives or needs. Nothing contained in this presentation constitutes investment, legal, tax or other advice. Accordingly, readers should, before acting on any information in this presentation, consider its appropriateness, having regard to their objectives, financial situation and needs, and seek the assistance of their financial or other licensed professional adviser before making any investment decision. This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, nor does it form the basis of any contract or commitment.

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