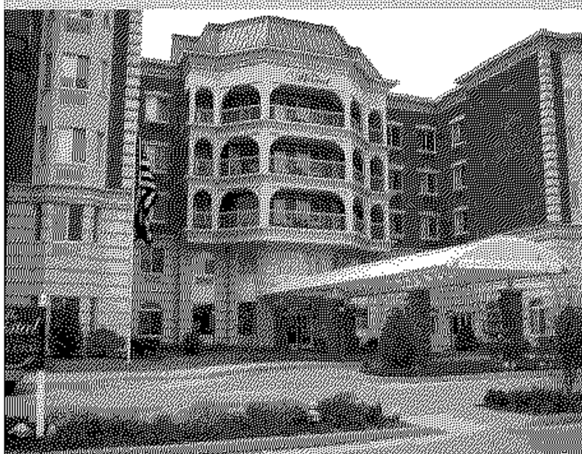
ING Real Estate Community Living Fund

Acquisition of Long Island Seniors Communities



East Meadow, Long Island

North Woodmere, Long Island

North Hills, Long Island

Future Growth Opportunity in High Barrier to Entry Market

20 October 2006

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Transaction Summary

- ✓ Acquisition of five (5) high quality assisted living communities known as the 'Bristal Portfolio'
- ✓ Located in affluent Long Island, New York, a market with very high barriers to entry
- ✓ Purchase price of US$290.5m at an initial cap rate of 7.0%
- ✓ 100% Equity funded by Chartwell reducing ILF's economic interest in the Chartwell JV from 49% to 43%
- ✓ Marginally accretive to 2007 earnings, enhancing future earnings growth – re-affirms sustainable EPU growth for ILF of 5%+p.a

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Key Benefits of the Transaction for ILF

- ✓ **Enhances quality and growth profile of Chartwell/ILF JV**

  -Portfolio will be the highest quality investment made by the JV to date and provides the strongest prospect for future growth

- ✓ **Effective capital management**

  -Exposure to portfolio without raising equity

  -Achieved via reducing ILF's economic interest in the JV from 49% to 43%, in return for gaining exposure to high growth Bristal portfolio

- ✓ **Control maintained with the right to re-balance ILF's economic interest in the JV back to 49% within 2 years**

  - ILF maintains equal voting rights and retains the right to re-align its equity interest to 49% within a 2 year period

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Sources and Applications

US$m-100% Values	Day 1	End Yr1	End Yr2	End Yr3	TOTAL
Purchase Price*	**226.5**	**43.0**	**9.0**	**12.0**	**290.5**
Acquisition costs	6.7	-	-	-	6.7
Debt Establishment Costs	1.4	-	-	-	1.4
Total Applications	234.6	43.0	9.0	12.0	298.6
US Sourced Debt	189.0	20.0	-	-	209.0
Chartwell Sourced Equity	45.6	23.0	9.0	12.0	89.6
Gearing (LTV) cumulative	83.4%	77.6%	75.0%	71.9%	71.9%

*Deferred payment structure subject to occupancy hurdles-see pricing slide

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Impact of transaction on JV at closing

	Pre Bristal* JV 100%	Pre Bristal * ILF JV Interest 49%	Post Bristal# JV 100%	Post Bristal# ILF JV Interest 43%
US Seniors Investments US$	679.6	**333.0**	906.1	**387.9**
US Seniors Debt US$	420.3	**205.9**	609.3	**260.8**
Net Investment in US Seniors US$	259.3	**127.1**	296.8	**127.1**
Net Investment in US Seniors A$^	**n/a**	**169.4**	**n/a**	**169.4**
Gearing	62%	**62%**	67%	**67%**

- ✓ Reduction of economic interest in JV undertaken at 30 Sept 06 Fair value –JV assets valued at $680m or a cap rate of 7.27% based on FY2007 projections
- ✓ Long Island Portfolio post cost cap rate 7.2% Year 1

*Fair value assessment as at 30 Sept 06
#Assumes closing 31 Dec 06
^Spot assumed at A$1=US$0.75

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Pricing

US$'m Purchase Price*	Conditions of payment	Closing^	End Yr1	End Yr2	End Yr3	Total
Stabilised portfolio	None	226.5	7.0	9.0	12.0	**254.5**
Massapequa~	None	-	16.0	-	-	**16.0**
Massapequa~	85% Occupancy	-	5.0	-	-	**5.0**
Massapequa~	89% Occupancy	-	5.0	-	-	**5.0**
Massapequa~	95% Occupancy	-	10.0	-	-	**10.0**
Total Purchase Price		**226.5**	**43.0**	**9.0**	**12.0**	**290.5#**
Cap Rate**		7.5%	7.2%	7.3%	7.5%	

NOTES

*Purchase price pre acquisition costs-100% Interest

~Newly developed asset, completed September 2006 with a current occupancy of 72%. Occupancy hurdles anticipated to be satisfied within 2 years

Normalised cap rate on portfolio acquisition is **7.0%. The deferred purchase price structure provides an upfront cap rate benefit

^Settlement expected 31/12/06 subject to approval of license transfer by NY Department of Health

#Valuation support for stabilised portfolio is US$295m, 1.8% above the purchase price

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Key Portfolio Benefits

Future Growth Opportunity in High Barrier to Entry Market

- ✓ Establishes concentrated presence in the highly affluent Long Island market
- ✓ Demand in this market outstrips supply, as evidenced by a demand coverage ratio of 3.5:1. A ratio of 3.0:1 represents a balanced market
- ✓ Demand coverage is projected to increase to 3.8:1 by 2011
- ✓ High barriers to entry due to limited land availability, stringent licensing approvals imposed by NY Dept of Health and high cost of land/construction
- ✓ Current portfolio occupancy of 95.1%*

**Excludes development asset currently being stabilised-occupancies as at 9 September 2006*

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Key Portfolio Benefits continued

- ✓ Strong rental growth being achieved (4-5%p.a) with scope for further increases as demand continues to outstrip supply
- ✓ Management synergies to be extracted through economies of scale in Long Island market - all 5 assets are located within a 15 mile radius
- ✓ Ability to drive strong bottom line growth resulting from scope to command high monthly rents, ability to deliver high occupancies, increase revenues from demand for additional care services, and operating leverage on costs achieved through economies of scale

Key Portfolio Benefits continued

Powerful Operating Margins

Bristal Portfolio Operating Statement	Sample Operating Returns	Growth Scenario 1	Growth Scenario 2	Growth Scenario 3	Growth Scenario 4
Revenues	$100.0	4.0%	4.5%	5.0%	5.0%
Expenses	$ 60.0	4.0%	4.0%	4.5%	4.0%
EBIT Margins	$ 40.0	40%	40%	40%	41%
Unlevered NOI Growth p.a		4.0%	5.2%	5.8%	6.5%

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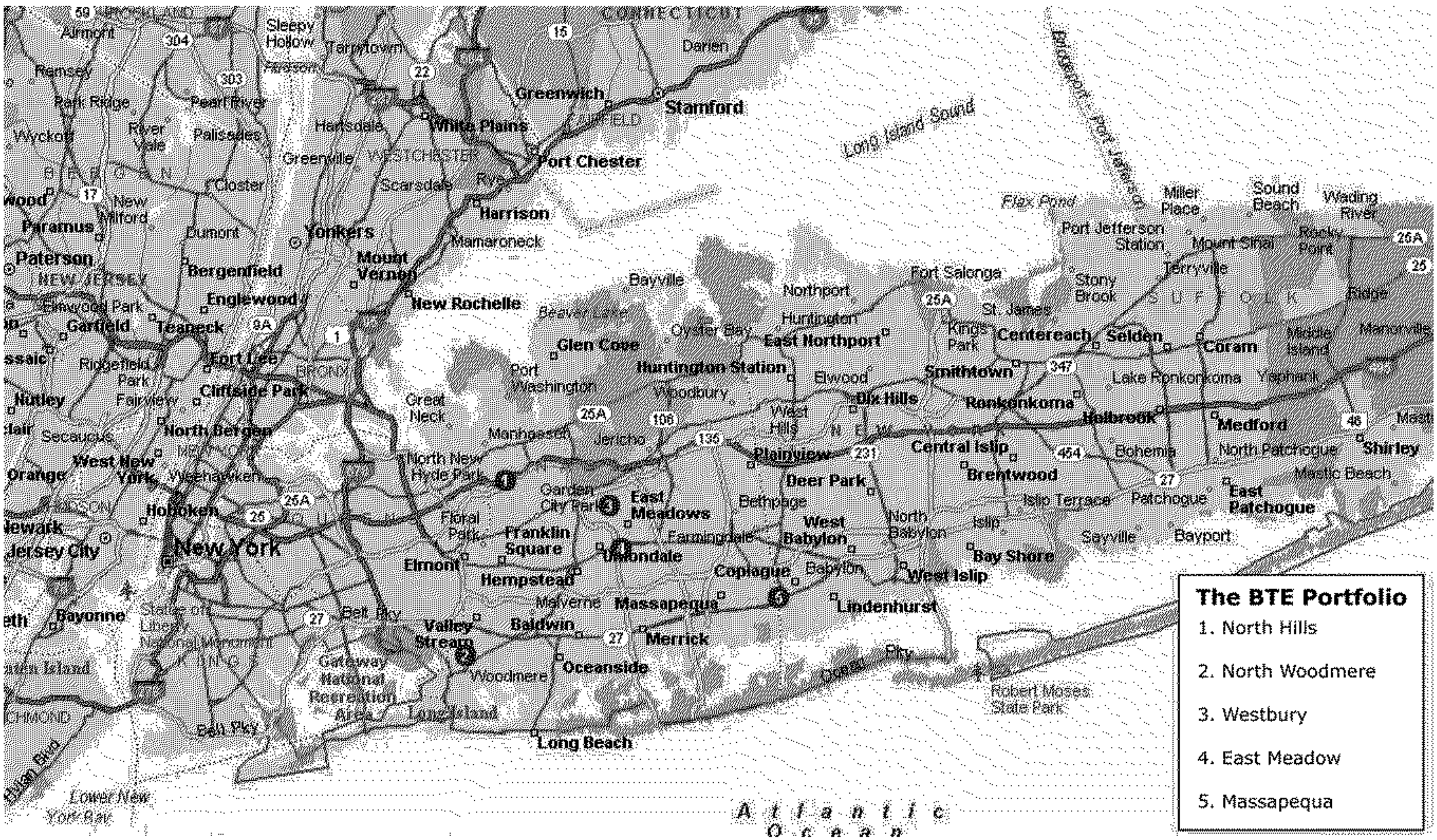
Portfolio Location



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Long Island Market

- ✓ Portfolio located on Long Island, NY - 15 miles from Manhattan, NYC
- ✓ NY is the second highest ranking State for projected growth* of seniors aged 75+
- ✓ Long Island consists of two counties-Nassau on the West (closest to Manhattan) and Suffolk on the East-with a total population of 2.9million
- ✓ The portfolio is located in Nassau county with all properties within a 15 mile radius of eachother
- ✓ 14% of Suffolk-Nassau County is aged > 65 years with a historical growth rate over the last 5 years of 2.55% compounded annually
- ✓ Projected 5 year annual growth rate for seniors aged > 85 years is 3.96%
- ✓ One of the most affluent markets in the US-average household income ranges across the portfolio from US$67k to US$82kpa and average median house price ranged from US$400k to US$520k

*Projected to 2010:Source Claritas company reports

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Long Island Fundamentals

Demand	Supply
✓**Captive Demand-choice and needs basis** -Approx. 70% of the residents come from within a 15mile radius (Primary Market Area-'PMA') reflecting desire of residents to remain close to family/friends -Approx. 7,400 seniors require personal care in the PMA of the portfolio (the target demographic) -Approx. 2,047 of those seniors reside in seniors housing communities within the PMA ✓**Strong current and future demand coverage** - Industry considers demand/supply equilibrium is a ratio of 3:1 (or 1 bed for every 3 residents requiring personal care). - The Bristal PMA demand coverage ratio is 3.5:1 (7,400 seniors / 2,047 seniors living in communities) - Forecast demand coverage to 2011 is expected to grow to 3.8:1, driven by projected growth in seniors population and limited new supply expected	✓**High PMA occupancies evidencing supply imbalance** – Bristal portfolio and competing PMA communities currently 95%*+ occupancies ✓**High barriers to entry** due to: -High construction/land costs -Limited land availability-only 9% of land on Nassau-Suffolk counties is developable, more than 90% of which is outside our PMA in Suffolk -Difficult and time consuming to obtain licensing due to stringent rules refined by the NY Department of Health in Feb05 -Development approval, zoning and planning processes time intensive -No new supply on the horizon

**Assets operating > 24 months*

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Key Property Statistics

Property	Year Built	# Units	Average Size/unit -sqm	Acres	Monthly Rent range US$	Occupancy
North Hills	2004	141	112	4.2	$2,995-$5,895	96%
North Woodmere	2003	118	98	2.9	$2,395-$5,995	91%
Westbury	2001	140	95	2.3	$2,395-$5,995	98%
East Meadow	2000	121	105	3.0	$3,495-$6,200	95%
Massapequa	2006	120	112	4.7	$2,595-$6,895	72%*
TOTAL/Average	**3-4years**	**640**	**104**	**17.1**	**Low $2,395** **High $6,895**	**95.1%#**

Competitors rents within our PMA range from US$2,475 to US$8,724

**Opened Sept06-deferred purchase price payable on stabilisation*

#Excludes Massapequa-occupancy as at 9 Sept 06

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The Bristal Offering

✓**High quality amenities offered including:**

-common and private dining areas

-sitting areas and living rooms

-activities and fitness centres

-swimming pools and putting greens

-courtyards and balconies

-beauty salon and wellness centre

-cinema and games room

-arts and crafts studios

-wanderer management system and
quality security systems

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Profile of a typical Bristal resident

- ✓ Average age 82 years
- ✓ Average duration of stay 2.5-3 years
- ✓ 100% private pay sourced income streams
- ✓ Decision to live in a community is primarily driven by health needs, and the choice of where to live by location (remaining close to family) and quality of amenities
- ✓ Packages offered at communities promote healthy active living with care services provided
- ✓ Resident requires light to moderate care-includes assistance taking medication, showering or being escorted to meals/assistance undertaking activities

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Debt Management

- ✓ Completed LVR 71.9% at an all in cost of 6.0% fixed for 12yrs*
- ✓ Look through gearing increases from 61.2% to 62.7%
- ✓ Blended cost of debt on US Seniors 5.91% - average duration of 9.9years
- ✓ Net US$ cash flows hedged via forward rate contracts for 5 years (rolled quarterly)
- ✓ Capital hedged via cross currency swaps for up to 5 years (rolled quarterly)
- ✓ Utilise DRP to bring gearing levels below 60%

*Subject to interest rate lock

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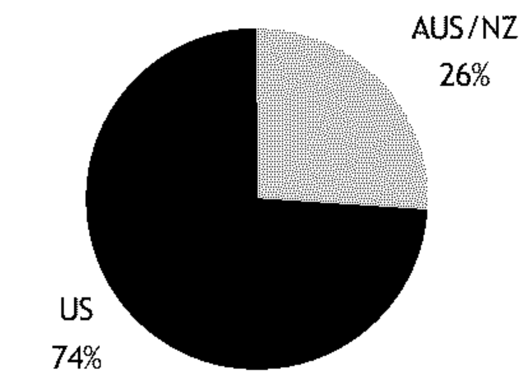
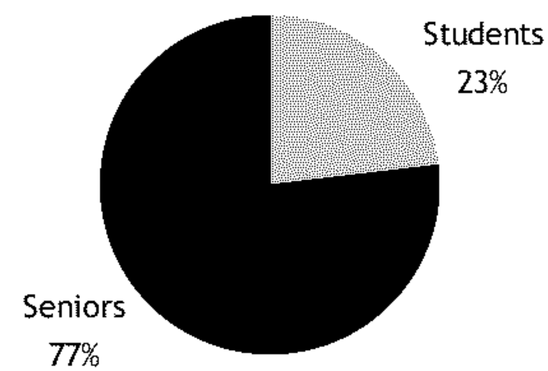
Portfolio Impact

- ✓ High growth portfolio enhances US Seniors platform
- ✓ Look through gearing increased from 61.2% to 62.7%
- ✓ Forecast 2007 DPU maintained at 10.7cents
- ✓ Current Fund Yield 9.2%*
- ✓ Tax deferred income 92%
- ✓ EPU growth to FY2008 5%+

Geographic diversification (by value)



Asset diversification (by value)



*Based on closing price ($1.17) as at 19 October 06

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Summary

- ✓ Bristal Portfolio will be the highest quality investment held in Chartwell/ILF JV to date
- ✓ Opportunity for strong growth with critical mass in highly affluent Long Island market
- ✓ Demand set to continue exceeding supply due to strong ageing demographic and high barriers to entry
- ✓ Effective capital management strategy enhancing future earnings without raising equity
- ✓ Management re-affirms ability to deliver sustainable earnings growth of 5%+ per annum

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Location Shots

Top (Left to Right): East Meadow, Westbury

Bottom (Left to Right): North Hills, North Woodmere