Accelerating growth - Ingenia Lifestyle Hervey Bay, QLD

Acquisitions and Equity Raising

Creating Australia's best lifestyle and holiday communities

16 October 2019

Not for release to US wire services or distribution in the United States.

Executive summary

Ingenia continues to grow its rental income base complemented by high margin development

Recent FY19 results continue a strong track record of performance and growth

- Guidance exceeded for third consecutive year
- Underlying EPS 21.0 cents – up 19% on prior year
- Over 7,775[1] existing homes, cabins and sites paying rent – generating stable, growing cash flows
- Record home settlements and expanding margins – on track to become largest developer of manufactured housing in Australia
- Development Joint Venture with Sun Communities (Joint Venture) and expansion into funds management diversify capital base, create new fee income and improve return on equity

Equity raising provides capacity for identified acquisitions and future growth

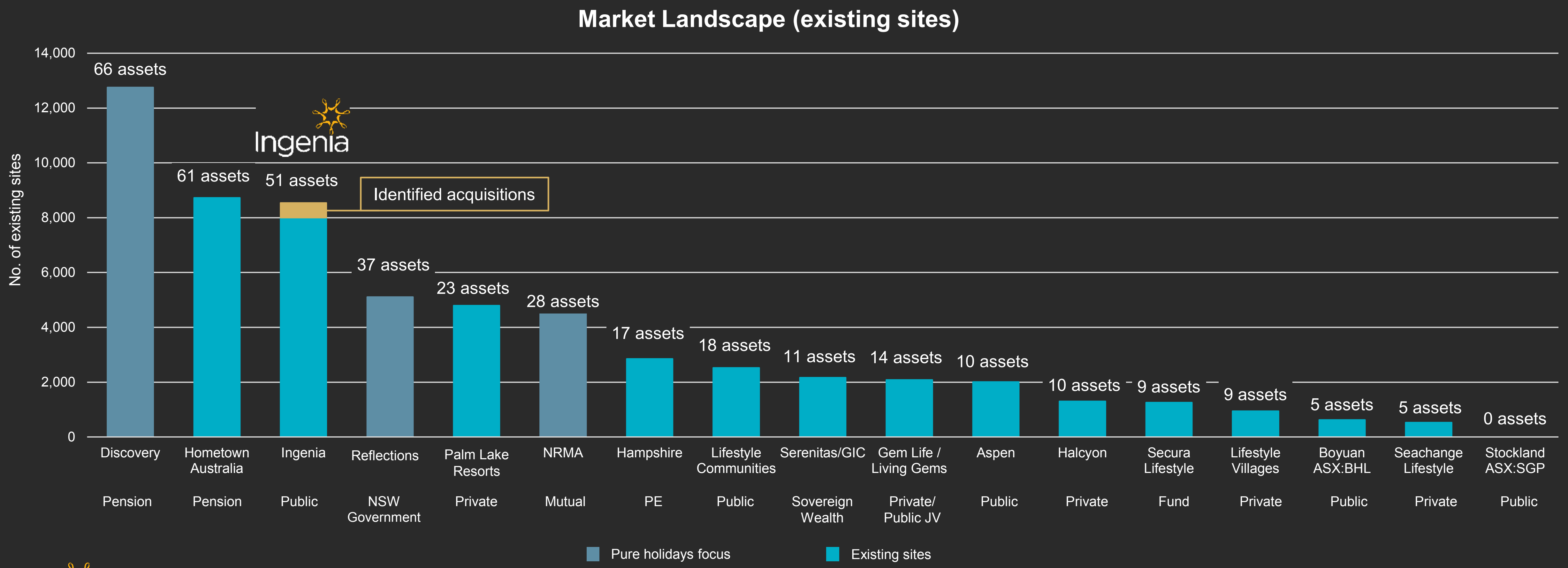
1. Includes Ingenia Lifestyle and Holidays and Ingenia Gardens. Excludes managed funds.

Market landscape

Existing communities and sites

Ingenia is the largest ASX-listed lifestyle and holidays group with over 8,500 sites across 51 assets

Further consolidation expected as global landlords seek entry / scale



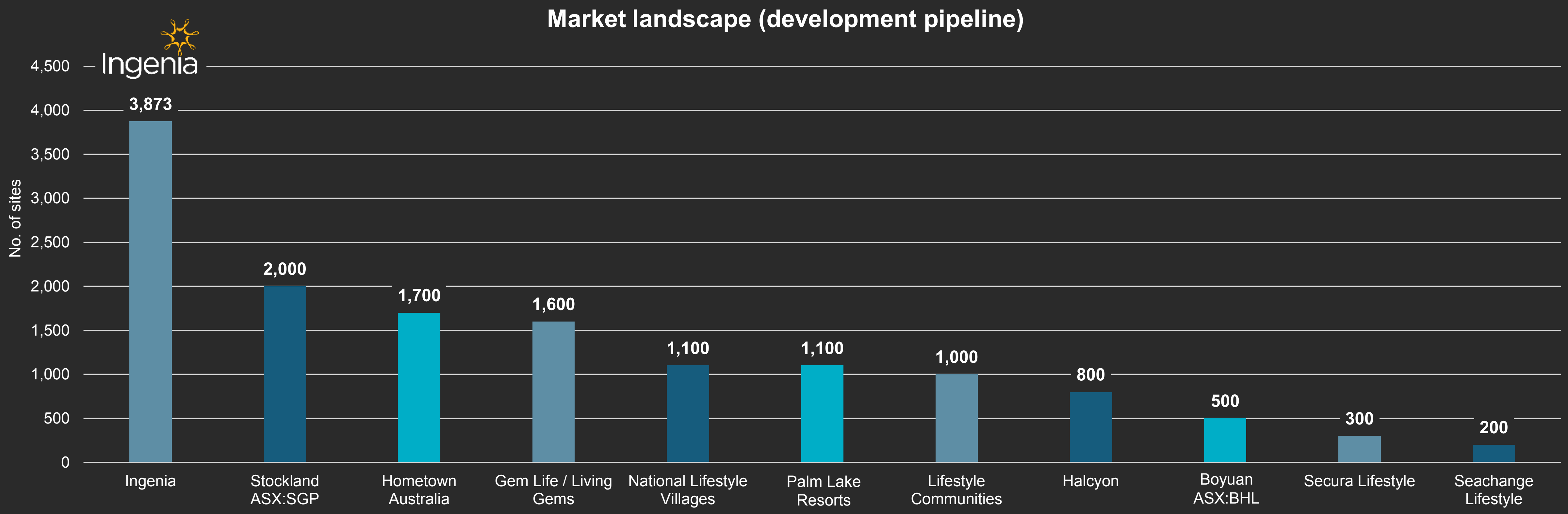
Source: Public disclosures and Ingenia.

Market landscape

Development pipeline

Ingenia has the largest lifestyle development pipeline in Australia, with excellent visibility on short and medium term growth

The current pipeline, once built out, is estimated to add over $22 million earnings per annum[1]



1. Assumes all Joint Venture developments are acquired by Ingenia on completion.

Transaction Overview

Acquisitions	• Ingenia continues to capitalise on a strong acquisitions pipeline, with $102.7 million of acquisitions under contract or in due diligence, including: › Three existing lifestyle communities in NSW and QLD › Two parcels of land adjoining existing communities › A large greenfield site north of Sydney • A further $18.4 million is expected to be deployed as identified pipeline opportunities and developments progress
Equity Raise	• Ingenia will fund these opportunities via a fully underwritten Equity Raising of $131.1 million comprising: › A 2 for 17 accelerated non-renounceable pro rata entitlement offer to raise $109.8 million, consisting of an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer (Entitlement Offer) › A $21.3 million institutional placement (Placement); and • The Entitlement Offer and Placement will be undertaken at an Issue Price of $3.93 per new security
Financial Impact	• The Acquisitions and Equity Raising are forecast to positively impact the Group's growth outlook: › FY20 EBIT growth guidance upgraded to 15-20% (was 10-15%); underlying EPS guidance maintained at 5-10% growth › Accretive to underlying EPS in FY21 › Results in pro forma LVR of 28.5%, which provides headroom for development and additional growth initiatives

Ingenia

Transaction highlights

Immediate yield and future growth through development

1. Consolidates Ingenia's position as a leader in the lifestyle communities sector – adds 540 income producing sites and 640 development sites
2. Underlying business continues to perform strongly – FY20 EBIT guidance upgraded to 15-20% growth and underlying EPS guidance of 5-10% growth maintained
3. Acquisitions and Equity Raising forecast to be accretive to underlying EPS in FY21
4. Acquisition pipeline remains strong with in excess of $100 million of additional opportunities under review, including existing communities and land for future development
5. Pro forma LVR 28.5%, providing balance sheet capacity to fund development and additional growth initiatives

Overview of the Equity Raising

$131.1 million fully underwritten Placement and Entitlement Offer

Offer Size & Structure	• 2 for 17 accelerated non-renounceable pro rata entitlement offer (Entitlement Offer) and Institutional placement (Placement) to raise approximately $131.1 million in total › $109.8 million raised via the Entitlement Offer and $21.3 million from the Placement
Issue Price	• The Entitlement Offer and Placement will be undertaken at an Issue Price of $3.93 per new security which represents: › 3.0% discount to the last close price of $4.05 on 15 October 2019 › 3.5% discount to the 5-day VWAP of $4.07 on 15 October 2019 › 2.6% discount to the Theoretical Ex-Rights Price[1] of $4.04
Underwriting	• Fully underwritten - Citigroup Global Markets Australia Pty Limited, Goldman Sachs Australia Pty Ltd and Moelis Australia Advisory Pty Limited • Sun Communities intends to fully participate in the Entitlement Offer
Ranking	• New securities issued under the Entitlement Offer and Placement will rank equally with existing Ingenia securities from the date of issue

1. The theoretical ex-rights price (TERP) is a theoretical price at which Ingenia securities should trade at immediately after the ex-date for the Placement and Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Ingenia securities trade immediately after the ex-date for the Placement and Entitlement Offer will depend on many factors and may not be equal to TERP. The TERP is calculated by reference to Ingenia's closing price of $4.05 on Tuesday, 15 October 2019.

Sources and uses

Proceeds to fund on-strategy acquisitions and growth

Sources	$m
Placement	21.3
Entitlement Offer	109.8
Total	**131.1**

Uses	$m
Balance sheet acquisitions	86.0
Joint Venture equity	16.7
Growth capital	18.4
Transaction costs (stamp duty, etc)	5.1
Equity raising costs	4.9
Total	**131.1**

Funding commitments include

- Six identified acquisitions expected to contract or settle during the course of FY20[1]
  - Assets located across NSW and QLD, strengthening Ingenia's presence in key markets on the east coast
  - $86.0 million identified for Ingenia's balance sheet and $16.7 million (INA's share) for the Joint Venture with Sun Communities
- Balance sheet acquisitions include three established assets and two parcels of expansion land adjacent to existing communities, providing the opportunity to expand successful, established communities
- Equity for Joint Venture to fund large greenfield site under conditional contract
- Growth capital ($18.4 million) to allow Ingenia to take advantage of future acquisition opportunities and support growing development spend

1. Subject to completion of due diligence, Board approvals and exchange of contracts.

Impact of Acquisitions and Equity Raising

Confirms Ingenia's position as a leader in the lifestyle sector and increases scale

▲51 Communities[1]

Adds four new communities

▲8,540 income producing sites[1]

Adds 540 income producing sites

▲ $>970m investment properties[1]

Adds $103m investment properties

▲3,873 development sites[1]

Adds 160 potential development sites for new homes

▲Earnings accretive in FY21

FY20 underlying EPS guidance unchanged

▼28.5% Pro forma LVR

32.3% LVR at 30 June 2019[2]

▲$2.77 Pro forma NAV per security

Adds 12 cents per security

▲$1,064m Pro forma market capitalisation[3]

Currently 177th largest stock on ASX[4]

1. Includes lifestyle and holiday assets owned on balance sheet and assets under management through JV and funds and assumes all acquisitions proceed. Development sites include potential home sites under option or secured. Development sites may be subject to approvals.
2. Represents 30 June 2019 LVR adjusted for the acquisition of Eighth Gate Capital Management and interests in its managed funds.
3. Based on the Issue Price post Equity Raising.
4. By free float market capitalisation (as at 15 October 2019), post Equity Raising based on the issued price.

Acquisitions

Development underway at Ingenia Lifestyle Plantations, NSW

Overview of Acquisitions

Acquisitions continue to build out established clusters

Delivery of on-strategy acquisitions to grow rental base, development returns and business reach

- Majority of proceeds ($70.5 million) deployed to acquire established, income producing communities
- $86.0 million to be deployed on balance sheet acquisitions and expansions, with a further $16.7 million for Ingenia's 50% share of Joint Venture land

	Permanent sites	Short-term sites	Total existing sites	Potential development sites
Confidential Park A Brisbane, QLD (100% Ingenia)	~110	~40	~150	~10
Confidential Park B NSW Central Coast (100% Ingenia)	~190	-	~190	~10
Confidential Park C South East Queensland (100% Ingenia)	~200	-	~200	~40
Expansion Land - Rivershore Resort Sunshine Coast, QLD (100% Ingenia)	-	-	-	~80
Expansion Land NSW North Coast (100% Ingenia)	-	-	-	~100
Greenfield NSW Central Coast (Joint Venture)	-	-	-	~400
Total	**~500**	**~40**	**~540**	**~640**

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Use of funds

Acquisition of Confidential Park A, QLD (100% Ingenia)

Acquisition metrics	
Acquisition price	~$17.5m
Income producing sites	~150
Development sites	~10
Target yield	>7%

- Finalising due diligence for the purchase of established mixed-use Brisbane metro community with potential for expansion
- Accommodation comprises 110 permanent and 40 short-term sites and further possible conversions
- Potential to add 10 additional new homes (subject to Council Approval) and further possible conversions
- Expected to exchange contracts and complete acquisition November 2019
- Well located community in established cluster with proximity to existing Ingenia assets and the Brisbane CBD

Use of funds

Acquisition of lifestyle communities in NSW and QLD

Acquisition metrics	
Acquisition price	~$25.0m
Permanent homes	~190
Development sites	~10
Target yield	>6.25%

Confidential Park B (NSW) (100% Ingenia)

- Progressing due diligence on pure lifestyle community located on NSW Central Coast
- Established community with approximately 190 MHEs approximately 150km north of Sydney
- Attractive lakeside location in established cluster close to local amenities
- Ability to add 10 new homes (subject to Council Approval)
- Targeting completion of acquisition December 2019

Acquisition metrics	
Acquisition price	~$28.0m
Permanent homes	~200
Development sites	~40
Target yield	>6.25%

Confidential Park C (QLD) (100% Ingenia)

- Due diligence progressed on established large-scale community with approximately 200 permanent land lease homes
- Acquisition includes 2 hectares of adjacent land with potential for a further 40 homes (subject to Council Approval)
- On completion the community will comprise ~240 homes
- Acquisition expected to complete early 2020

Use of funds

Acquisition of expansion land, Ingenia Holidays Rivershore, QLD (100% Ingenia)

Acquisition metrics	
Acquisition price	$2.8m
Development capital expenditure	~$10m
Development sites	~80
Target IRR[1]	>12%

1. IRR is calculated on a pre-tax unlevered basis over a 10 year period.

- Conditional contract exchanged for the purchase of three hectares of land adjacent to Ingenia Holidays Rivershore, Sunshine Coast
- Ability to expand one of the Group's highest occupancy holiday communities to meet strong demand
- Potential to add additional 80 cabins, glamping tents and sites (subject to Council Approval), leveraging existing facilities and infrastructure

Use of funds

Acquisition of land adjacent to existing lifestyle community (100% Ingenia)

Acquisition metrics	
Acquisition price	~$2.8m
Development sites	~100
Target IRR[1]	>15%

1. IRR is calculated on a pre-tax unlevered basis over the development period.

- Due diligence underway on land adjacent to existing Ingenia owned development which is experiencing strong demand for new home sales
- Potential to add additional 100 sites (subject to Council Approval) and generate improved returns from current investment
- Provides longer term expansion in an attractive NSW coastal location with potential to deliver stronger home prices and margins as project matures
- Ability to leverage high quality facilities and infrastructure already in place

Use of funds

Additional equity for Joint Venture and business growth

Aerial of development land and marketing suite, Freshwater, QLD

Joint Venture with Sun Communities achieving rapid progress, with multiple opportunities to deploy additional equity

- Since establishment in November 2018, Ingenia's Joint Venture with Sun Communities has acquired two greenfield sites
- First Joint Venture project, Freshwater at Burpengary, QLD now underway with initial settlements expected March 2020
- Conditional contract now in place on large greenfield site on NSW Central Coast with close proximity to existing communities (circa $16.7 million Ingenia 50% share)

Allocation of $18.4 million will provide the ability to capitalise on strong pipeline of identified opportunities

- Additional capital (combined with debt capacity and ongoing asset recycling) to fund future growth via identified pipeline of acquisition and development opportunities
- Current market conditions providing significant opportunity to secure and acquire land for development with twelve greenfield sites under assessment, including two in due diligence
- Pipeline includes over 20 assets at various stages of negotiation/assessment

Equity Raising

Development at
Ingenia Lifestyle Latitude One, Anna Bay, NSW

Details of the Offer

Offer Details	• $109.8 million Entitlement Offer and $21.3 million Placement to raise $131.1 million in total, issuing approximately 33.4 million securities
Use of Proceeds	• Proceeds from the Equity Raising will be allocated to fund identified acquisitions as well as development and future growth initiatives
Entitlement Offer	• A fully underwritten 2 for 17 Entitlement Offer of approximately 27.9 million securities at an Offer Price of $3.93 per new security to raise 109.8 million • Record Date of 7PM (AEDT) on 18 October 2019 • Entitlement Offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer • New securities in respect of institutional entitlements not subscribed for will be placed into an institutional bookbuild (concurrent with the Placement) • Retail Entitlement Offer opens on 23 October 2019 and closes on 4 November 2019 • Eligible Retail Securityholders will have the opportunity to apply for additional New Securities that are not subscribed for under the Retail Entitlement Offer up to a maximum of 15% of their Entitlement. Allocations will be at the discretion of the Board and underwriters.
Pricing	• The offer price of $3.93 per new security represents: – 3.0% discount to the closing price of $4.05 on 15 October 2019 – 3.5% discount to the 5 day VWAP of $4.07 on 15 October 2019 – 2.6% discount to the Theoretical Ex-Rights Price[1] of $4.04
Other	• New securities issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Ingenia securities • Sun Communities intends to fully participate in the Entitlement Offer • Citigroup Global Markets Australia Pty Limited, Goldman Sachs Australia Pty Ltd and Moelis Australia Advisory Pty Ltd are acting as Joint Lead Managers, Underwriters and Bookrunners in relation to the Equity Raising

1. The theoretical ex-rights price (TERP) is a theoretical price at which Ingenia securities should trade at immediately after the ex-date for the Placement and Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Ingenia securities trade immediately after the ex-date for the Placement and Entitlement Offer will depend on many factors and may not be equal to TERP. The TERP is calculated by reference to Ingenia's closing price of $4.05 on Tuesday, 15 October 2019.

Indicative timetable

Key event	Date
Institutional Placement and Institutional Entitlement Offer	
Announcement of the Placement and Entitlement Offer	16 October
Trading resumes on an ex-Entitlement Offer basis	17 October
Record Date for determining entitlements for the Entitlement Offer (by 7pm AEST)	18 October
Settlement of New Securities under the Placement and Institutional Entitlement Offer	29 October
Placement, Institutional Entitlement Offer and Early Retail Entitlement securities issued and normal trading commences	30 October
Retail Entitlement Offer	
Retail Entitlement Offer document and acceptance forms despatched	23 October
Retail Entitlement Offer opens	23 October
Retail Entitlement Offer closes	4 November
Settlement of Retail Entitlement Offer and Retail Entitlement shortfall	11 November
Retail Entitlement Offer securities issued	11 November
Normal trading commences for Retail Entitlement Offer securities	12 November
Despatch of holding statements	13 November

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This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Joint Lead Managers, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Securities. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Securities. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Appendices

Ingenia Holidays Lake Conjola, NSW

Appendix 1
Pro forma Balance Sheet metrics

	Pro forma 30 June 2019[1]	Capital raising	Deployment of funds	Pro forma
Net investment properties ($ million)	846.8		104.5[2]	951.3
Other investments (JV and Eighth Gate) ($ million)	32.5		16.7	49.2
Total assets ($ million)	972.6	-	121.2	1,093.8
Net debt ($ million)	240.5	(126.2)	126.2	240.5
Net assets ($ million)	625.7	126.2	(5.1)	746.8
Securities on issue (million)	236.4	33.4	NA	269.8
NAV per security ($)	2.65	0.14	(0.02)	2.77
LVR (%)	32.3	(15.8)	12.0	28.5
Undrawn debt ($ million)	77.3	126.2	(126.2)	77.3

1. Represents 30 June 2019 LVR adjusted for the acquisition of Eighth Gate Capital Management and interests in managed funds.
2. Includes unallocated capital.

Appendix 2

Foreign jurisdictions

International Offer Restrictions

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No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Securities or the offering of such securities and any representation to the contrary is an offence.

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Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Group if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Group. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Group, provided that: (a) the Group will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Group is not liable for all or any portion of the damages that the Group proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Appendix 2

Foreign jurisdictions (*cont'd*)

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than: (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Appendix 2

Foreign jurisdictions (*cont'd*)

Norway

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The New Securities may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

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Appendix 2

Foreign jurisdictions (*cont'd*)

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Appendix 3
Risk factors

General Risks

This section discusses some of the key risks associated with an investment in Ingenia. A number of risks and uncertainties may adversely affect the operating and financial performance or position of Ingenia and in turn affect the value of Ingenia securities. These include specific risks associated with an investment in Ingenia and general risks associated with any investment in listed securities. The risks and uncertainties described below are not an exhaustive list of the risks facing Ingenia. Potential investors should carefully consider whether the New Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risks set out below.

General Investment Risks	There are risks associated with any stock market investment including: • The demand for Ingenia securities may increase or decrease and Ingenia securities may trade above or below the Issue Price on the ASX; • If Ingenia issues new securities, an existing Securityholder's proportional interest in Ingenia may be reduced; and • The market price of the securities may be affected by factors unrelated to the operating performance of Ingenia such as stock market fluctuations and volatility and other factors that affect the market as a whole.
Macro-economic Risks	Changes to economic conditions in Australia and internationally, investor sentiment and international and local stock market conditions, changes in fiscal, monetary and regulatory policies which may impact economic conditions such as interest rates and inflation and consequently the performance of Ingenia.
Liquidity	Turnover of Ingenia securities can be limited and it may be difficult for investors to buy or sell lines of securities at market prices.
Legislative and Regulatory Risks	Changes in laws, regulation and government policy may affect Ingenia's business and therefore the returns Ingenia is able to generate.
Tax Implications	Future tax liabilities may be impacted by changes to the Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia. This in turn could impact the value or trading price of Ingenia securities, the taxation treatment of an investment in Ingenia or the holding costs or disposal of its securities.
Litigation	Ingenia may, in the ordinary course of business, be involved in possible litigation disputes (such as environmental and workplace health and safety, industrial disputes and other legal claims). A material legal action may adversely affect the operational and financial results of Ingenia.

Appendix 3

Risk factors (*cont'd*)

Specific Risks

Business Strategy Risk	Ingenia's business strategy is focused on growing the Group's cash yielding rental portfolio through acquisition, development and increasing occupancy. A key element of the Group's strategy and earnings is attributable to development of new homes in lifestyle communities. Ingenia's future growth is dependent on the successful execution of this strategy. Any change or impediment to implementing this strategy may adversely impact on Ingenia's operations and future financial performance.
Acquisition Risks	Assets under contract may not complete to settlement. The Placement and the Entitlement Offer is not conditional on the identified acquisitions and/or acquisitions under due diligence having occurred. There is the risk that one or more of the identified acquisitions and/or acquisitions under due diligence do not occur and, in which case, the metrics set out in this presentation (including FY20 EBIT guidance, FY20 underlying EPS guidance, FY21 underlying EPS accretion, NAV per security and number of sites) will differ to the then actual position of Ingenia. There may be other transaction specific risks – for example, the acquisitions do occur but the development approvals are varied or delayed from what is assumed or set out in the presentation.
Acquisition Integration	As part of due diligence for the acquisition of assets, Ingenia assesses the possible returns achievable. This assessment takes into account the implementation of a number of initiatives to integrate the asset into the Group's operations and achieve the optimal, stabilised position and return. This may include redevelopment of existing sites, changing the mix of the assets between permanent occupancy and tourism, or changing the way the community is managed. The cost to reposition the asset and the mix between permanent and tourism at the time of implementation may vary from the assumptions at time of acquisition. It may take longer than expected for the asset to reach its optimal stabilised position.
Development Risk	Ingenia has a large land and property development pipeline. Such projects have a number of risks including (but not limited to): delays or issues around planning, application and regulatory approvals; development cost overruns; environmental costs; project delays; issues with building and supply contracts; expected sales prices or timing of expected sales or settlements not achieved. A sustained downturn in the commercial, retail, industrial and/or residential property markets due to deterioration in the economic climate could result in reduced development profits through lower selling prices or delays in achieving sales.
Tourism	Ingenia derives income from tourism and tourism related services. The income derived from this business may be seasonal and vary due to weather conditions, changes in demand for current and new alternate tourism destinations, the international tourism market and general consumer discretionary spending.
Increased Competition	Ingenia operates in select markets and operating clusters offering rental, land lease and tourism accommodation within Ingenia Gardens and holiday and lifestyle communities. While there are barriers to entry for new operators, future developments that directly or indirectly compete with Ingenia's existing portfolio could impact Ingenia's current business and financial performance.
Rental Assistance	The Social Security Act 1991 (Cth) provides rental assistance for many residents in the resident communities which form part of Ingenia's asset portfolio. Any change to this legislation could result in a reduction in resident demand to enter into leases in the communities and therefore impact Ingenia's business.

Appendix 3

Risk factors (*cont'd*)

Income and Expense Growth Rates	Higher than expected inflation rates could lead to greater development and/or operating costs. While resident leases are subject to rental rate increases, ability to raise future rents and maintain or grow occupancy may be impacted by resident pension and rental assistance growth. Ingenia's future financial performance could be impacted where the inflation in operating and development costs exceeds the growth in rental income.
Joint Venture Development	Ingenia has a joint venture arrangement to co-invest in the development of greenfield lifestyle communities. Ingenia also has entered into management agreements to source sites and develop and operate communities within the joint venture. Ingenia generates various fees from providing these services. There is no certainty that Ingenia will continue to identify new sites to grow the joint venture and therefore generate management fees and distributions from the co-investment.
Funds Management	Ingenia owns a funds management business where it manages, develops and operates assets within third party owned funds. Ingenia has co-invested in these funds and receives various fees from managing the funds and operating and developing the underlying assets. There is no certainty that distributions from the investment in the funds and fees generated from the management of the assets will continue or grow.
Distributions	Future distributions for Ingenia securities will be determined by the Directors having regard to the operating results, future capital requirements, bank debt covenants and the financial position of Ingenia. There can be no guarantee that Ingenia will continue to pay distributions or distributions at the current level.
Asset Impairment Risk	Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors affecting property valuations include capitalisation and discount rates, the economic growth outlook, land resumptions and releases and major infrastructure projects. Such impacts on property valuations may lead to variations in the valuation of Ingenia
Sale of Non-core Assets	The Group has disclosed its intention to divest a number of non-core assets. There is no certainty as to the timing or amount of net consideration received on these asset sales and whether the assets will be sold at all.
Funding Risk	Ingenia currently has bank debt which contains certain financial and operational covenants. Any breach to these covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period or securityholders may be diluted if equity needs to be raised at large discounts. Ingenia currently has a weighted debt maturity of 3 years. At the maturity of these loans, there is no certainty they will be refinanced on the same terms as are currently in place. Ingenia is exposed to fluctuating interest rates. While Ingenia hedges part of its variable rate interest expense, Ingenia does retain a portion of interest rate fluctuation exposure.
Personnel Risk	The ability of Ingenia to successfully deliver on its business strategy is dependent on retaining key employees of Ingenia. The loss of senior management or other key personnel could adversely impact on Ingenia's business and financial performance.
Accounting Standards	Changes to accounting standards may affect the reported earnings of Ingenia from time to time.

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