Goodman

Space to shape the future

Goodman Property Trust
Annual Report 2021

GMT Bond Issuer Limited
Annual Report 2021

Contents

Front cover image: **Ford Building, Highbrook Business Park, East Tāmaki**

This document comprises the Annual Reports of Goodman Property Trust and GMT Bond Issuer Limited for the year ended 31 March 2021 and contains the information required to be disclosed pursuant to the NZX Listing Rules.

Advances in technology, changes in consumer behaviour and the continued urbanisation of large cities is driving demand for well-located logistics space all around the world.

Goodman is at the forefront of these changes providing essential infrastructure for a growing digital economy.

Virtual Reality
VR tools can provide customers with an accurate visualisation of their future spaces.

Urban logistics is enabling a data driven economy

Strategically located warehouse and logistics facilities with easy access to large consumer markets has never been more important.

Auckland's distribution network
The growth in online retailing is driving demand for urban logistics space close to consumers.

A rapidly growing online marketplace is creating demand for faster and more convenient delivery options.

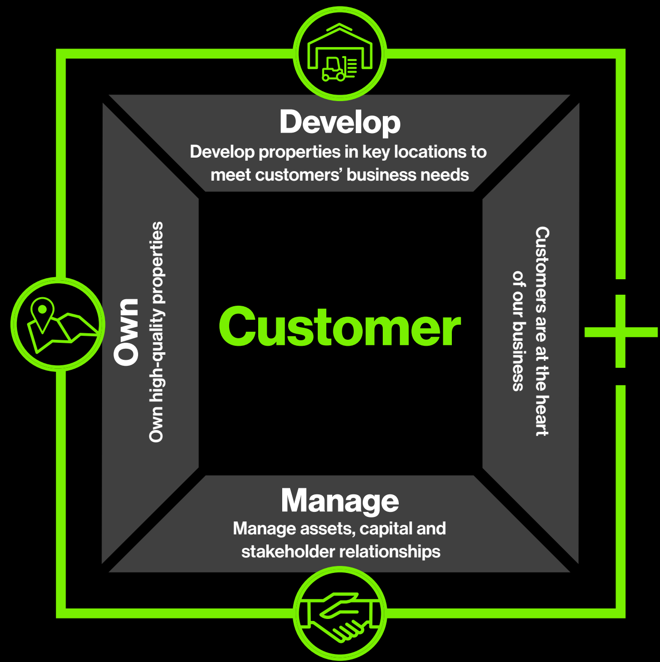
GMT's urban logistics' portfolio is well located across Auckland. These spaces offer a competitive advantage for businesses serving time sensitive consumers.

Our approach

Highbrook Business Park
Encompassing 107 hectares, GMT's largest estate makes up over 50% of the portfolio.

Goodman Property Trust is New Zealand's largest listed property investor. It is a high-quality business with a substantial portfolio, a wide customer base and a proven development capability.

Goodman invests strategically and for the long-term, delivering sustainable property solutions that will continue to meet the needs of its customers well into the future. An investment strategy focused on the Auckland industrial market provides these customers with high-quality properties close to major transport networks.



Own

We invest in warehouse and logistics property because of its return profile, the depth of the market and its essential role in the supply chain.

Auckland is our preferred location being the country's gateway city and main logistics hub.

We own high-quality assets, putting our customers close to consumers in key urban locations.

Develop

Strategic sites and a proven development capability provides our customers with tailored and sustainable property solutions.

Around 80% of GMT's $3.8 billion portfolio has been developed since 2004, creating a modern industrial portfolio of unrivalled scale and quality.

With $250.1 million of projects currently under development, more than 60% of the space is already leased.

Manage

The foundation of our business is the 210+ companies that have chosen Goodman as their property partner.

We manage all aspects of our business directly and pride ourselves on the strength of our customer relationships.

We invest for the long-term and manage prudently to ensure we maintain a strong balance sheet that supports sustainable growth well into the future.

Year in review

GMT has delivered a record financial result and finished the year a more sustainable and resilient business.

Profit before tax
128.2% increase

$648.9m

Net tangible asset backing
23.0% increase

212.5cpu

Portfolio revaluation
17.3% increase in value

$560.0m

Loan to value ratio
20% to 30% preferred range

19.2%

Highbrook Business Park
Extensive landscaping, recreational spaces and on-site amenity makes Highbrook an exceptional work environment for the 110+ customers located there.

Cash distributions

82.8% of cash earnings

5.30cpu

New debt issues

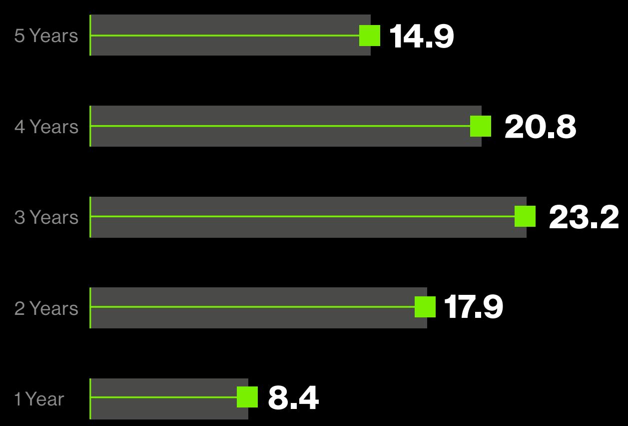
Eight and ten year wholesale bonds

$200m

The importance of building a business that can withstand market disruptions and perform through economic cycles was reinforced by COVID-19. While the pandemic has brought some challenges, it has also accelerated key structural trends that are driving GMT's operating performance and investment returns.

Total Unitholder Return %

Annualised to 31 March 2021



Chair's report

Keith Smith
Chair and Independent Director

Location:
The Crossing
The commercial heart of Highbrook, featuring professional service providers, food and hospitality operators, conference and accommodation facilities and 24 hour gym.

GMT has demonstrated its resilience over the last 12 months, adapting to the operational challenges of COVID-19 and delivering a record profit of $648.9 million before tax.

The past year has reinforced the important role that warehousing and logistics has in our national supply chain, facilitating fast and efficient distribution of food and other essential items. This critical business infrastructure supports the rapid growth of New Zealand's digital economy.

While the pandemic has constrained overall economic activity this year, the focus and quality of the Trust's $3.8 billion portfolio and strength of its customer relationships have contributed to another impressive financial result.

Low gearing has allowed the Trust to remain active and maximise new opportunities. Strategic acquisitions, further development progress and new capital management and governance initiatives have added to the positive momentum in the business.

The Board is equally satisfied with GMT's corporate performance and the progress being made on our sustainability programme.

We have reduced our carbon footprint and strengthened our commitment to mitigating the impacts of climate change. We are doing more for our people, increasing our community support and focusing our reporting on topics that matter to our stakeholders.

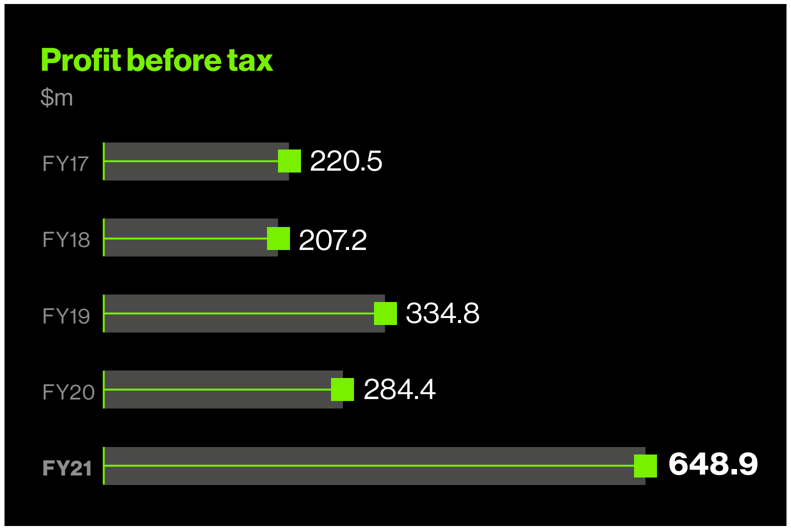
See the sustainability report, pages 30 to 51, for more information.

Financial review

This year's statutory profit of $648.9 million before tax was a record for the Trust and 128.2% higher than FY20. $560.0 million of the profit was attributed to the portfolio revaluation. The 17.3% increase in value reflects strong property market fundamentals and increased investor demand for high-quality Auckland industrial assets.

Operating earnings before tax were also higher in FY21, with positive leasing results, new development completions and strategic acquisitions contributing to an increase from $109.7 million in FY20 to $114.9 million.

A performance fee of $13.7 million was also earned by the Manager this year.



OfficeMax, Highbrook Business Park
The office supply company has embraced e-commerce and is now an online only business with its north island distribution centre at Highbrook.

The fee is excluded from operating earnings as it is used to subscribe for new units in the Trust. The Trust Deed requirement ensures the close alignment of interests between Goodman, as Manager and cornerstone investor, and other Unitholders.

Cash distributions of 5.3 cents per unit, representing around 83% of GMT's cash earnings, were paid. The change to distribution policy this year, where we introduced a target payout ratio of between 80% and 90% of cash earnings, provides better alignment between Unitholder distributions and underlying cashflows from the Trust's portfolio.

A more stable economic outlook supported by strong levels of leasing and development enquiry give the Board confidence about the coming year. Guidance for FY22 includes cash distributions of at least 5.5 cents per unit, representing a 4% increase from FY21.

See the financial summary section, pages 53 to 54, for more information.

Towards a sustainable future

A sustainable operating model is essential for an organisation to be successful over the long-term. Having the resilience to respond to market disruptions while minimising any negative economic, social and governance outcomes has never been more important.

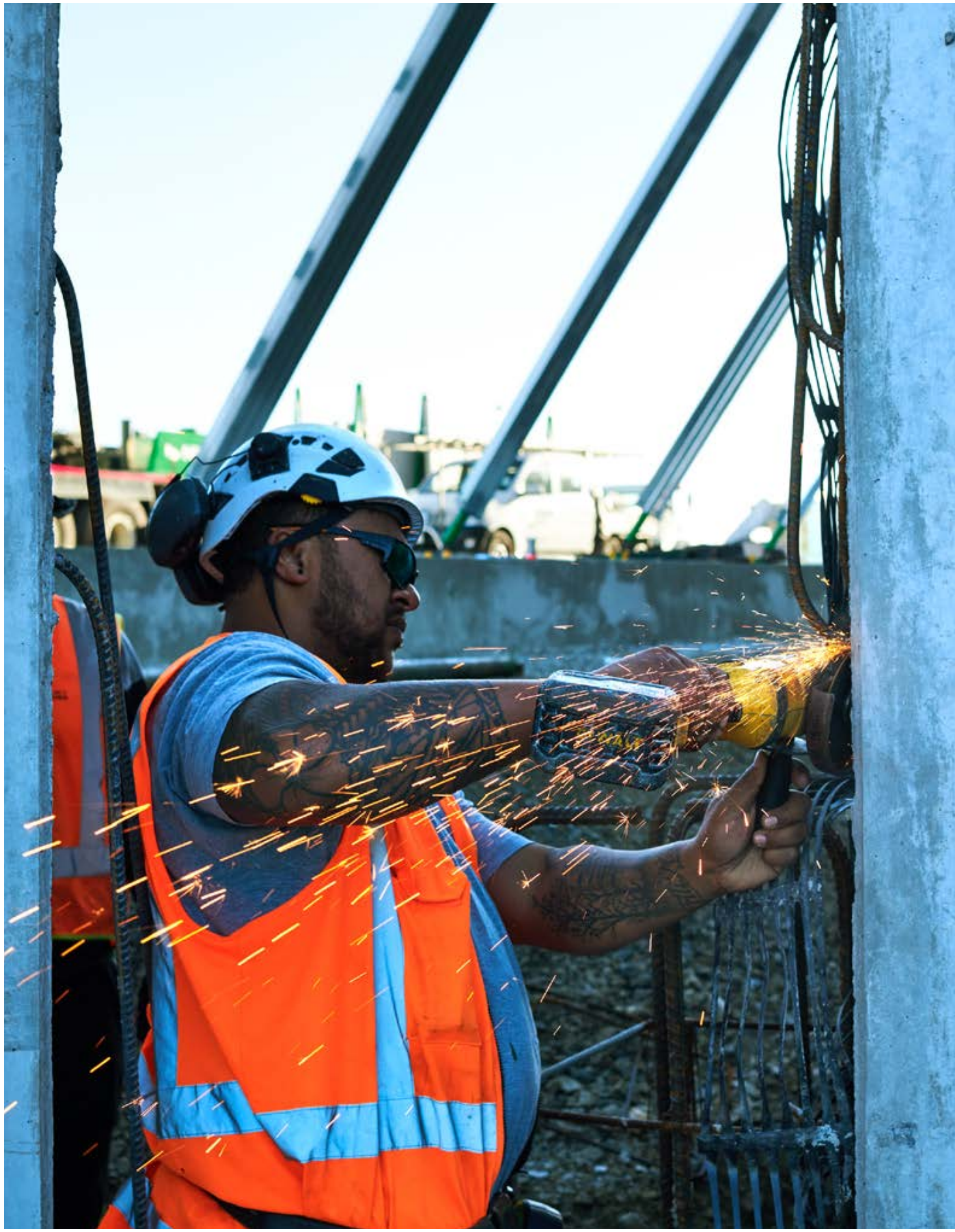
This year we have reviewed the material factors that determine our success and have increased our efforts and commitments in key areas.

Receiving carbonzero certification from Toitū is a notable achievement that reflects the priority placed on reducing our environmental impact. Implementing an emissions reduction plan and purchasing New Zealand carbon credits means the business is now proudly carbon neutral, four years ahead of our 2025 target date.

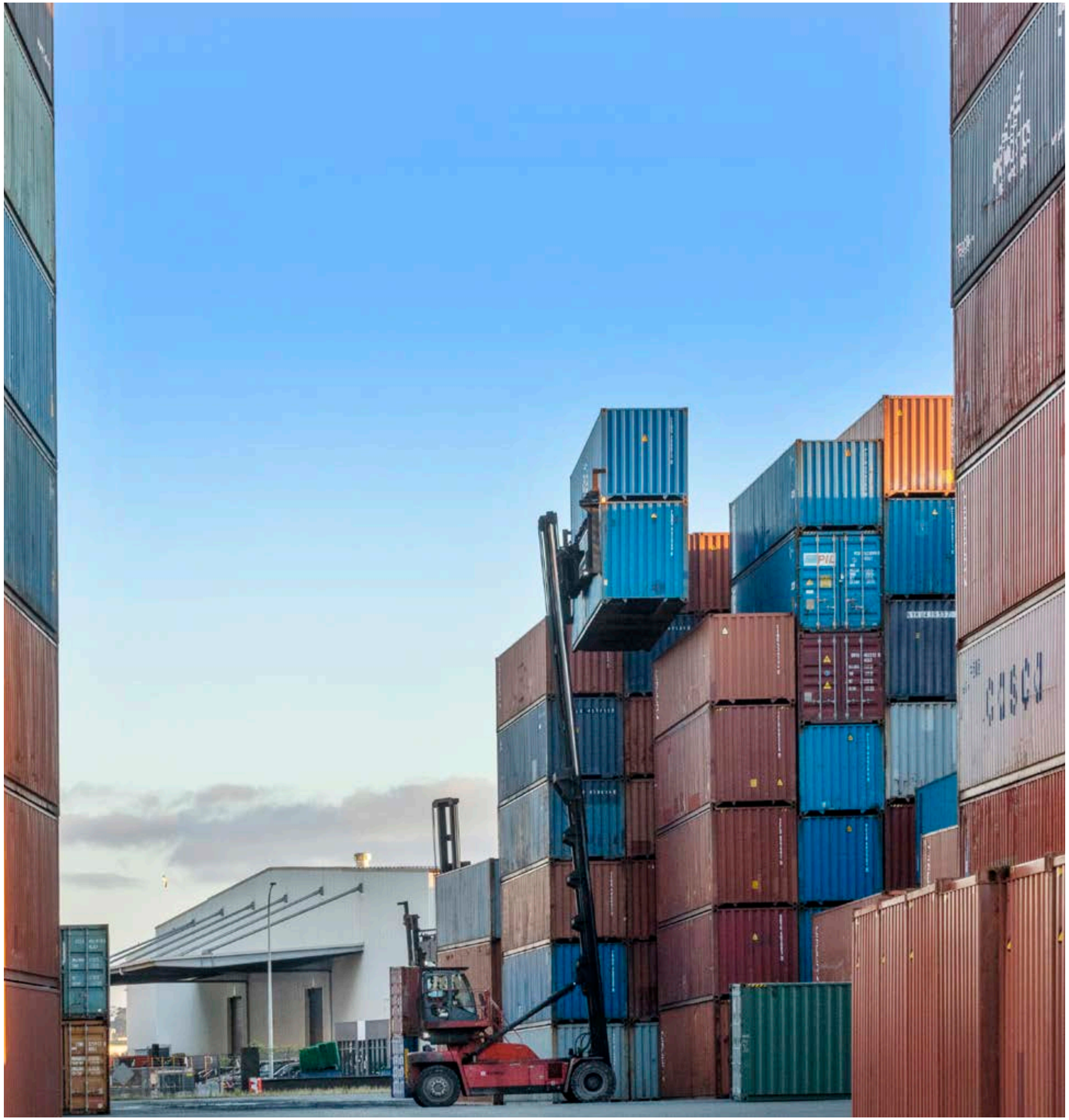
Our commitment to reducing climate change impacts has been extended to the Trust's development programme where a five star Green Star rated building specification is being targeted for all new developments.

We will also be offsetting embodied carbon in these new projects. Mitigating greenhouse gas emissions from construction activities and from the manufacture of building materials and products used in our developments is industry leading.

A sustainable capital structure, that includes substantial reserves, has allowed GMT to pursue new investment and development opportunities.



M20 Business Park, Wiri
The new 9,000 sqm warehouse currently under construction is one of seven active developments across the portfolio.



Asset sales and equity issuance in previous years have significantly deleveraged the balance sheet, while new debt issues have diversified the Trust's sources of funding. The Board has continued this prudent approach by extending the successful bond programme and reducing its preferred gearing range for the Trust, to between 20% and 30%.

These measures, together with refinements to the distribution policy support the creation of a high-quality, low risk property business focused on sustainable long-term growth.

The responsibility of looking after our team and those in our community has had even greater priority this year. The global impacts of COVID-19 have been devastating and Goodman has worked to ensure the health and safety of all its people, customers, contractors and service providers.

A detailed summary of the response to the pandemic is included on pages 20 to 21.

Metrobox, Savill Link, Ōtāhuhu
The strategic acquisition of the Metrobox facility during the year extends the development potential of Savill Link.

The work of the Goodman Foundation recognises the wider responsibility we have to the communities where the Trust invests.

To help address the disproportionate impacts of the pandemic the Goodman Foundation has increased the level of support it provides.

Over the last 12 months, more than $500,000 has been distributed to initiatives and programmes to help the vulnerable, particularly those facing food insecurity issues.

See the sustainability report, pages 45 to 49, for a complete summary of recent community initiatives.

Top: **KiwiHarvest and New Zealand Food Network** The Goodman Foundation is a founding supporter of both these food rescue organisations at Highbrook.

Board changes

A highly capable Board, that includes a majority of independent directors, has overseen the growth of GMT and the significant portfolio repositioning that occurred between 2015 and 2019. A stable and contemporary governance structure has given investors and other stakeholders confidence in our business model and strategic direction.

While operational performance has been the focus of the last 12 months, positive progress has also been made with our Board renewal programme. The governance initiative will ensure the tenure of independent directors is aligned with best practice guidelines.

After more than 10 years of valued service, independent directors Peter Simmonds and Susan Paterson retired, effective 31 December 2020 and 31 March 2021, respectively.

Both directors made an outstanding contribution to the business and on behalf of the Board and Management I would like to acknowledge their support, efforts and commitment.

Laurissa Cooney and David Gibson, two highly capable professional directors have been appointed. The refreshed Board maintains its majority of independent directors and will continue to provide strong direction to guide the next phase of GMT's growth.

Bottom; **Laurissa Cooney and David Gibson** Newly appointed directors of Goodman (NZ) Limited.

Positive outlook

Despite the challenges of the last 12 months, GMT delivered a record financial result and finished the year a more sustainable and resilient business.

Business confidence is returning to most sectors, and the continued execution of an investment strategy focused on urban logistics means the Trust is benefitting from a growing digital economy.

It's a positive trend that is expected to be an important driver of GMT's future growth.

On behalf of the Board, I sincerely thank our customers and investors for their support and all of the Goodman team for their contributions to the Trust's outstanding result.

Keith Smith
Chair and Independent Director

Alex Mackay, Asset Manager, Goodman
One of the dedicated property services team looking after the needs of GMT's 210+ customers.

Management report

Left:
John Dakin
Chief Executive Officer and Executive Director

Right:
Andy Eakin
Chief Financial Officer

Location:
Highbrook Crossing Units

Structural trends driven by a growing digital economy are contributing to an increase in customer demand for high-quality industrial space.

Portfolio leasing
146,587 sqm

Average occupancy rate
99%

New acquisitions
$83.0m

Active developments
$250.1m

Highbrook Crossing Units
Completed in February 2021, the multi-unit development provides over 4,300 sqm of warehouse and office space.

E-commerce is emerging as an important demand driver for well-located distribution facilities in large consumer markets around the world. With its urban logistics portfolio strategically located across Auckland, GMT continues to benefit from e-commerce growth.

The Trust's investment strategy and the commitment of the Goodman team have contributed to another impressive operating result in FY21. The achievement is particularly notable given the disruptive impacts of COVID-19 over the last 12 months.

Key highlights include:

- Net property income of $153.0 million and operating earnings before tax of $114.9 million
- An average portfolio occupancy rate of 99% over the year and 98% at 31 March 2021
- $225.1 million of new development commencements, with $250.1 million of projects in progress
- Acquisition of properties adjoining Savill Link and Mt Wellington industrial estates for $83.0 million

Portfolio performance

GMT's $3.8 billion portfolio includes around 1.1 million sqm of space leased to more than 210 customers. High-quality warehouse and logistics facilities provide these companies with the physical infrastructure to manage inventory and service end consumers.

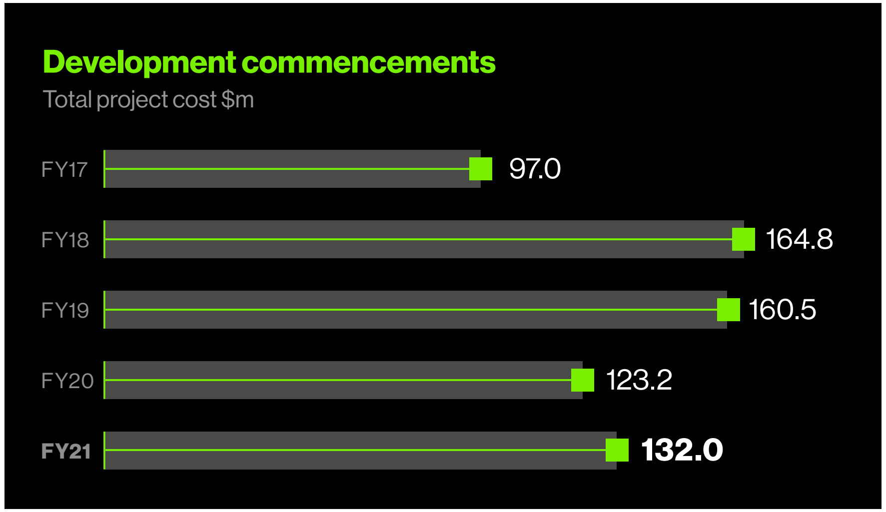
New space requirements and the extension of existing customer relationships have underpinned strong leasing results and renewed levels of development activity.

More than 146,500 sqm of space, or 13.4% of the investment portfolio was secured on new or revised terms over the last 12 months. These positive leasing outcomes have helped maintain the average portfolio occupancy rate of 99% and weighted average lease term of more than five years.

Greater levels of enquiry are also driving GMT's development programme. Companies have gained confidence in the operating environment as the year has progressed and are now considering their future space requirements.

Seven design-build and build-to-lease developments were completed during the year. The projects, with a combined value of $125 million, have added 33,918 sqm of high-quality space to the portfolio.

The Trust also commenced four new developments, with a total project cost of $132 million.



Development programme
GMT currently has seven active developments. Providing over 68,500 sqm of new warehouse and logistics space the total project cost of these new facilities is $250.1 million.

The largest of the new projects is the redevelopment of Roma Road Estate.

The 13.1 hectare brownfield site in Mt Roskill is being transformed into a modern logistics hub that maximises the property's inner-city location.

The masterplan includes four new distribution facilities, with over 42,000 sqm of high-quality distribution space.

New Zealand Post will anchor the redevelopment, committing to a 20-year lease over the first 17,700 sqm warehouse. The project is a continuation of a successful partnership, with the customer occupying five separate facilities across the portfolio.

Subsequent projects at Roma Road will be staged to meet demand with the property expected to have a value of more than $200 million once fully developed.

Targeting a five star Green Star rating the estate will feature highly sustainable buildings and workspaces complemented by extensive onsite amenity. The embodied carbon within the building materials and construction process will be reduced where possible with the remainder offset.

Following the Trust's 31 March balance date another new development project has been confirmed.

Favona Estate in Māngere is to be extensively redeveloped. The value-add, seven-hectare property will feature two new warehouses, totalling 33,205 sqm.

Mainfreight has committed to the larger 22,435 sqm facility with the second warehouse being developed on a build-to-lease basis. The redevelopment has an expected completion date of February 2023.

The project adds to GMT's current development workbook which now includes $250.1 million of active projects.

Acquiring for tomorrow

With just 6.1 hectares of greenfield land in the portfolio, new investment opportunities for future development continue to be targeted.

The acquisition of properties neighbouring the Trust's Savill Link and Mt Wellington industrial estates was consistent with this strategy. With a combined purchase price of $83 million these properties have a total site area of 14.5 hectares. Currently leased, with existing improvements providing steady holding income, the new sites offer a range of longer-term redevelopment options that will contribute to GMT's growth.

Top:
Roma Road Estate, Mt Roskill
An aerial of the estate showing proximity to Auckland's motorway network and surrounding consumer catchment.

Bottom:
NZ Post
Artists impression of the NZ Post facility being developed at Roma Road. It is one of four highly sustainable distribution facilities planned for the site.

Financial flexibility

A well-capitalised balance sheet with substantial reserves has enabled GMT to take advantage of these new opportunities. With a loan to value ratio of just 19.2% and only partially drawn debt facilities the Trust retains $339 million of funding capacity for future investment.

It's a strong position that has been achieved through careful financial management and disciplined execution of GMT's investment strategy.

The issue of $200 million of fixed interest rate bonds to New Zealand wholesale investors in September 2020 was a continuation of this prudent approach.

The highly successful issue included two tranches:

1) $150 million of 10-year bonds paying 2.559% per annum, and

2) $50 million of eight-year bonds paying 2.262% per annum.

Top and bottom:
NCI Packaging, Savill Link
The 14,206 sqm development received an excellence award in the industrial category at the 2020 Property Council of New Zealand Awards.

Franklins, Highbrook Business Park The bathroomware supplier occupies neighbouring warehouse facilities at Waiouru Point overlooking the Tāmaki River and esplanade walkway.

The new issues add further tenor and diversity to the Trust's debt book which now includes bank borrowings, listed retail bonds, wholesale bonds and US Private Placement debt notes.

GMT's bank facilities were also refinanced during the year, with the first bank debt expiry extended out to November 2022. At 31 March 2021, the weighted term to expiry across all the Trust's drawn debt was 5.2 years.

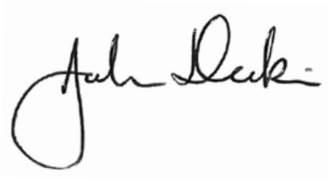
Looking ahead

Auckland's urban logistics market has continued to be the best performing of all the commercial property sectors. Despite the challenging year, the resilience of the industrial property sector has contributed to another strong operating result for GMT.

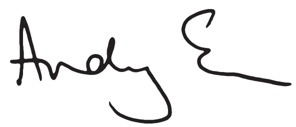
The unique demand drivers created by a growing online marketplace are supporting the Trust's leasing results and a renewed level of development activity.

While economic risks remain, the quality and scale of the portfolio, together with low gearing and focused investment strategy, make us optimistic about the future.

Prioritising sustainability this year has reinforced our commitment to reducing our environmental impacts. Meeting the needs of our customers with sustainable property solutions is positive for all our stakeholders.



John Dakin
Chief Executive Officer and Executive Director



Andy Eakin
Chief Financial Officer

COVID-19 response

Natasha Artus, Project Coordinator, Goodman
The importance of contract tracing led to the development of unique QR codes for every New Zealand workplace and business premise.

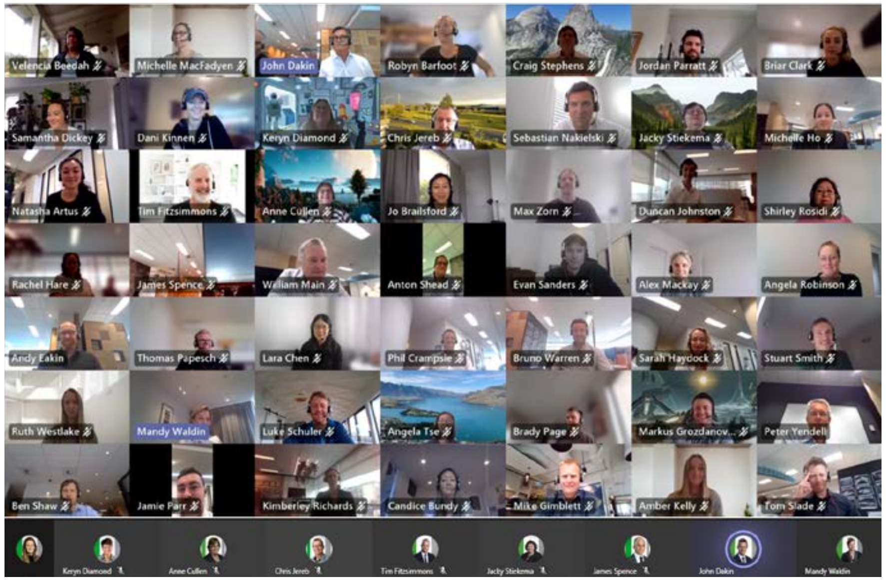
COVID-19 was an unforeseen event that has disrupted lives and economies all around the world. New Zealand has avoided the worst of these impacts by changing how we live and work.

Early response

The health and safety of Goodman staff, customers and contractors has been the priority of the Board and Manager. Business continuity plans were activated following the introduction of the Government's Alert Level system and the move into lockdown.

An essential business classification for the Trust recognised the important role warehousing and logistics plays in the national supply chain. It has enabled Goodman to operate almost uninterrupted throughout the Alert Level restrictions.

Flexible work practices and an agile workplace have enabled all Goodman team members to work remotely when required, with seamless access to network applications and other resources.



Alert Level 3 and 4 restrictions in place for Auckland
March 2020 – March 2021

81 days

Rest of New Zealand: 52 days

Additional health and safety precautions that included new social distancing and contact tracing protocols together with personal protective equipment have helped keep our team members and worksites safe.

Development activity was able to continue with only limited interruption and all active projects were completed on schedule and within budget.

Customer impacts

The urban logistics market has continued to be the best performing of all the commercial property sectors.

Overall leasing demand has remained strong and portfolio occupancy has been maintained at an average of 99%.

While the majority of GMT's customers have adapted to the new operating environment, a small number, typically retail and hospitality businesses, have experienced significant hardship as a result of COVID-19. As a long-term business partner, the Trust has supported these more vulnerable customers. This assistance has included rent abatements, rent deferrals, rent freezes, lease restructures and marketing support.

E-commerce

Consumers have responded to the risks of COVID-19 by embracing the convenience and safety of online sales and contactless delivery. During Alert Levels 4 and 3 from late March to mid-May 2020, the average weekly online spend in the Food, Groceries and Liquor category grew over 100% compared to 12 months earlier.

The trend has been sustained beyond the initial lockdown period and it highlights a continuing shift in consumer behaviour with around $5.8 billion of online sales in New Zealand in 2020. The level of online shopping represents around 11% of total retail sales in New Zealand, an increase of 25% from a year earlier.

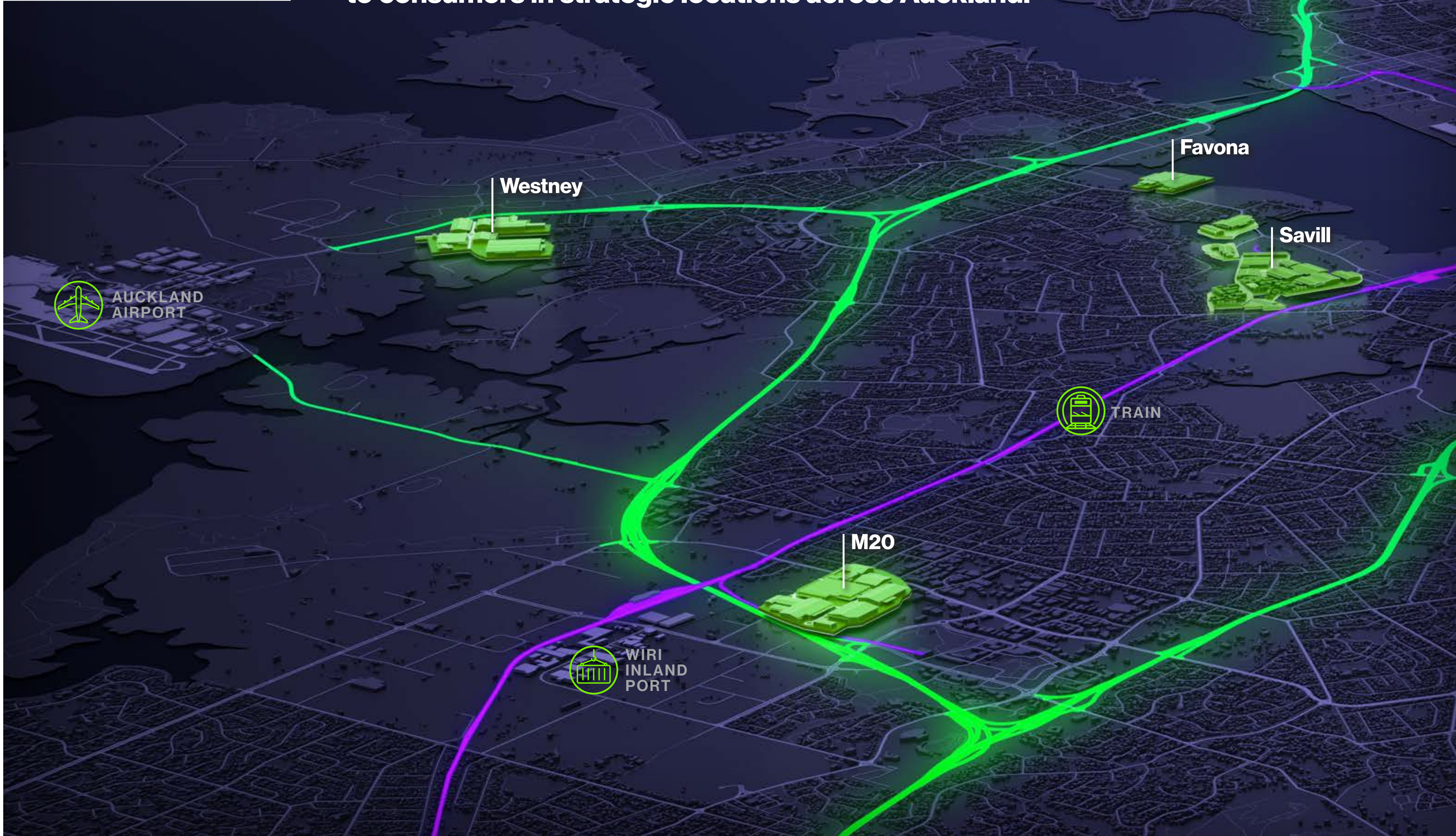
The rapid growth in e-commerce is also reflected in greater demand for logistics and delivery services. It's another positive demand driver for well-located industrial property in the country's largest consumer market.

Top left:
Flexible work practices
Technology enabled Goodman team members to stay connected and work collaboratively throughout the Alert Level restrictions.

Top right:
Jamie Parr, Capital Transactions Analyst, Goodman
Good hygiene practices helped ensure workplaces minimised the risk of COVID-19 transmission.

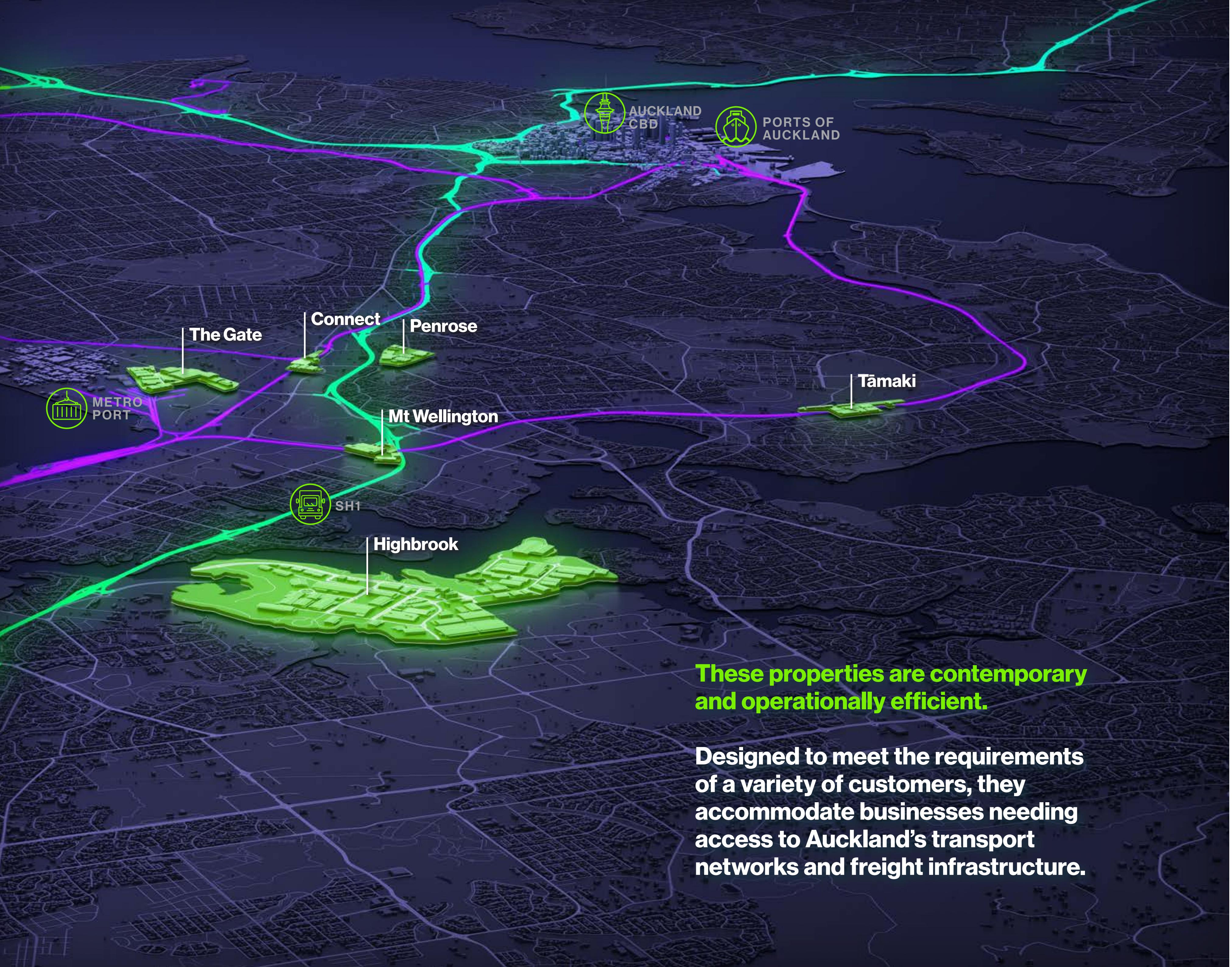
Our assets

GMT's property portfolio provides its 210+ customers with high-quality logistics and warehouse space, close to consumers in strategic locations across Auckland.



GMT owned estates are shown highlighted in green.

The full names and portfolio weighting are included on page 24.

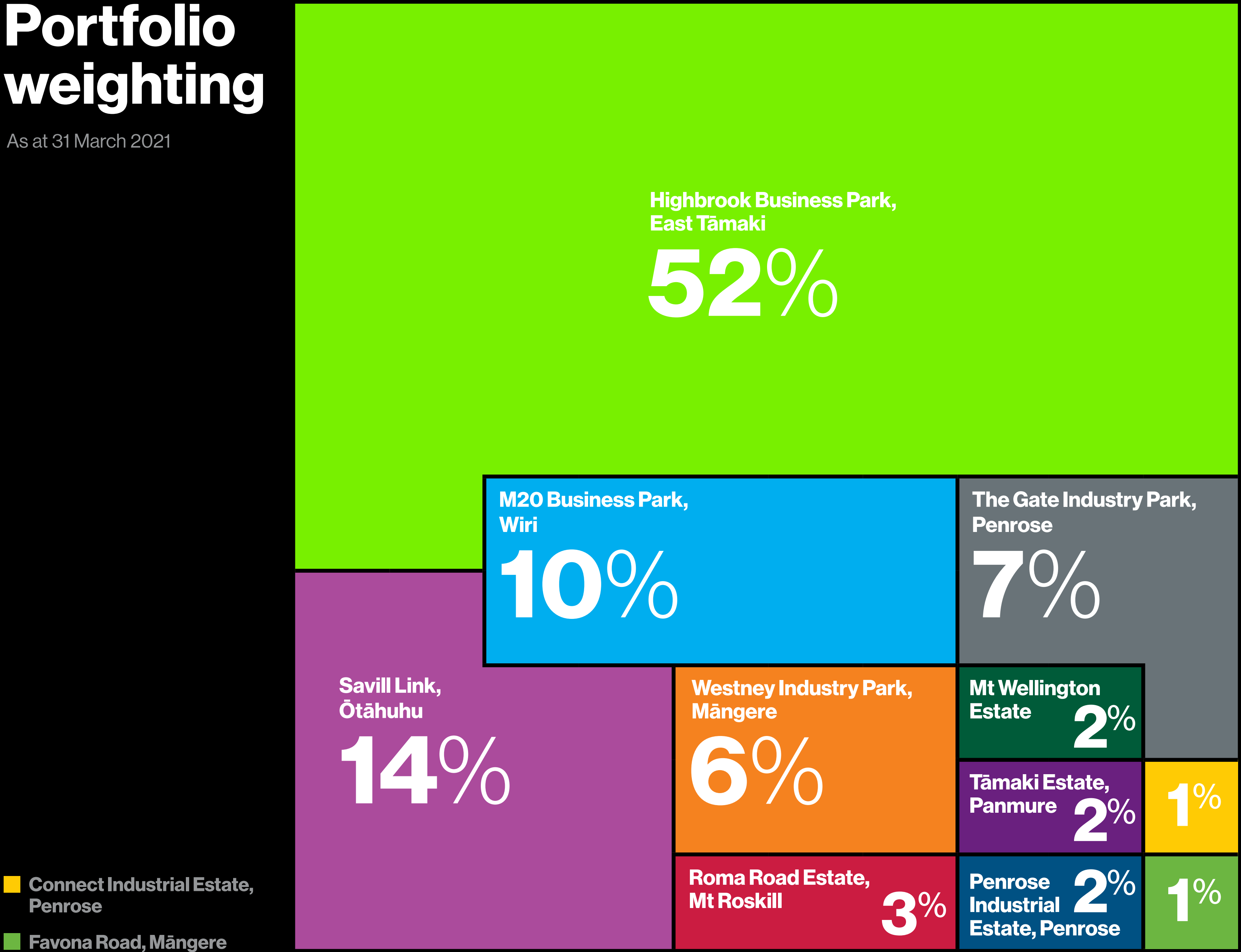


These properties are contemporary and operationally efficient.

Designed to meet the requirements of a variety of customers, they accommodate businesses needing access to Auckland's transport networks and freight infrastructure.

Portfolio weighting

As at 31 March 2021



Portfolio weighting
GMT's $3.8 billion property portfolio comprises 11 estates in proven logistics and distribution locations across Auckland.

Customer weighting
The Trust's 210+ customers represent a range of industries including automotive distributors, building products, logistics and freight, warehousing and retail operators.

Customer weighting

As at 31 March 2021

Customer	Estate/s	Weighting: rental income
NZ Post	Highbrook, M20	6.8%
DHL	Highbrook, Westney	3.8%
OfficeMax	Highbrook	2.9%
Coda	Savill Link, The Gate	2.8%
Fletcher Building	Connect, Highbrook	2.7%
T&G Global	Favona, Mt Wellington	2.7%
Freightways	Highbrook	2.6%
Fliway	M20, Westney	2.4%
Toll	Savill Link	2.3%
CSR Building Products	Highbrook, The Gate	2.2%
Mainfreight	Highbrook, Savill Link, Westney	2.2%
Linfox Logistics	Westney	2.1%
Steel & Tube	Highbrook, Savill Link	2.0%
Frucor	M20	1.8%
Asaleo	The Gate	1.7%
Supercheap Auto	Savill Link	1.5%
Metro Performance Glass	Highbrook	1.5%
SCS	Westney	1.5%
Cottonsoft	Highbrook	1.5%
NCI Packaging	Savill Link	1.5%

From top to bottom:

NZ Post Auckland Mail Service Centre
Highbrook Business Park

DHL Supply Chain
Highbrook Business Park

Mainfreight
Savill Link

Steel & Tube
Highbrook Business Park

Urban logistics

Big Chill Distribution, Highbrook Business Park
The specialist carrier, owned by Freightways, occupies a design-built coolstore on Pukekiwiriki Place.

Optimising the supply chain for data driven cities

Well-located industrial property and highly efficient freight networks are essential links in the supply chain.

Warehouse space provides companies with the physical infrastructure to manage inventory while established transport routes connect these businesses with suppliers, customers and end consumers.

The continued urbanisation of cities and the rise of e-commerce are having a significant impact on demand for warehouse and logistics space in many markets around the world. A well-organised supply chain, that can quickly distribute goods, is essential for these cities to function and grow.

An investment strategy focused on urban logistics space has positioned GMT to maximise these trends.

Auckland is our preferred investment market. It is the gateway to the country, its commercial centre and largest consumer market. It is also growing at a substantial rate with its population forecast to reach two million by the early 2030s.

The customers within the Trust's portfolio represent a wide range of industries with most involved in the supply chain, either directly as a logistics service provider or indirectly, as a business that regularly utilises these freight networks.

The following examples explain how different companies are using our properties and how the strength of these businesses underpin our own success.

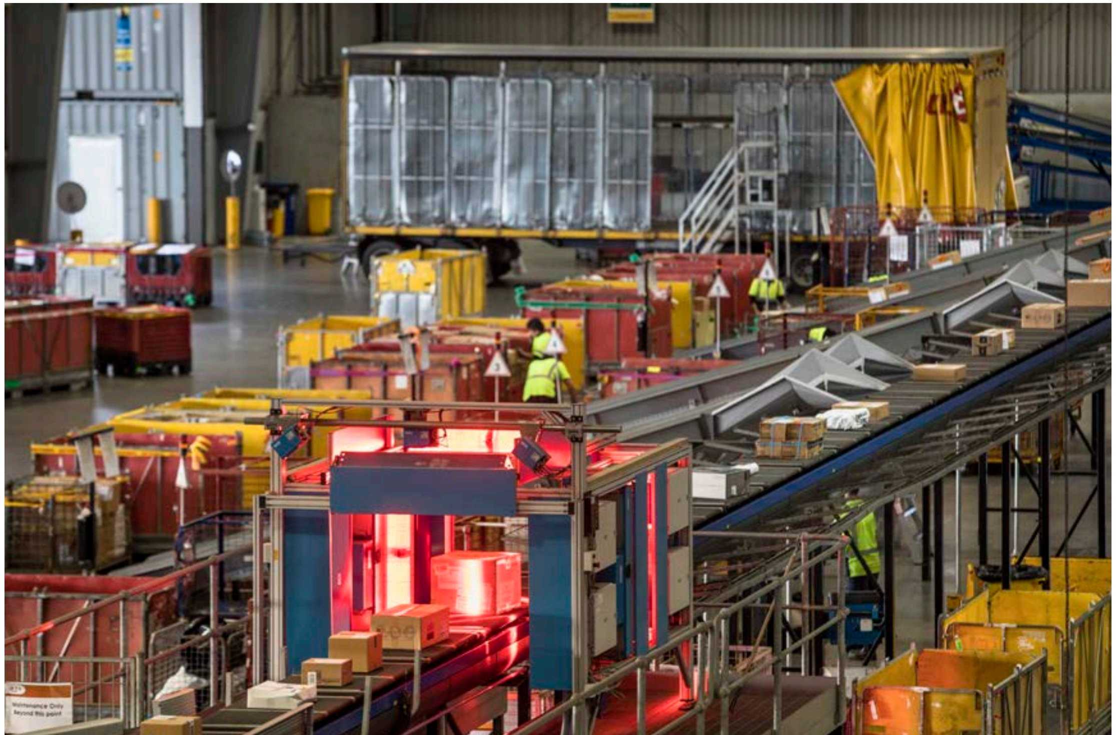
Delivering over the last mile

The growth of e-commerce is directly contributing to increased freight volumes in the business to consumer segment.

Online transactions, which now make up 11% of all retail spending in New Zealand, are growing at five times the rate of in-store shopping.

The last mile, where parcels are delivered to consumers, is now the most important stage of the journey. Consumers want faster delivery and greater convenience. Timely fulfilment offers a competitive advantage for online retailers that can meet these expectations.

Greg Morris, Group Property and Procurement Manager for New Zealand Post said "e-commerce has created huge demand for NZ Post's logistics and delivery services. New Zealanders have embraced the convenience and safety of online shopping, making around $5.8 billion of online purchases in 2020."



NZ Post has an established courier delivery network.

Its facility at Highbrook Business Park includes a 20,000 sqm distribution centre with automated sorting that can process up to 120,000 parcels per hour. Volumes hit a historic peak last year, as consumers elected to order essential items online during the COVID-19 Alert level restrictions.

Top and bottom:
CourierPost, Highbrook Business Park
One of five facilities occupied by NZ Post, across the portfolio.

Technology driven change

Technological advances have streamlined supply chains over the last 25 years, improving the speed and accuracy of delivery networks.

Businesses have had to invest in information technology to stay competitive. Warehouse management systems and barcode scanning were early innovations, reducing administration requirements and improving operational efficiency.

Modelling and analytical modules have extended these systems providing companies with sophisticated tools to optimise stock levels and even forecast demand.

Freight and logistics operators have also been quick to adopt data driven innovations. They have embraced GPS technology to track vehicles and use traffic data for route planning. The systems provide visibility throughout the process allowing customers to view the status of their delivery.

The growth of the internet and development of smart devices has facilitated online shopping. A direct impact of this has been the increased demand for distribution facilities close to consumers, in central city locations.

Automated solutions will be the next stage in how businesses manage inventory storage and distribution. Warehouse operations are already being disrupted by the development of advanced robotic systems such as unmanned forklifts. While not yet widespread it provides a glimpse of the future.

Mainfreight, Savill Link
New warehouse management systems are improving the speed and accuracy of the customers distribution operations.

Mainfreight, one of New Zealand's largest logistics and transport service providers, occupies three facilities within the portfolio.

The customer has adopted new voice activated technology to improve the accuracy and the speed of its fulfilment functions within its distribution facility at Savill Link.

The Honeywell system replaces paper-based processes allowing team members to work in real time, fulfilling orders in the warehouse without the need for additional documentation or data processing. Using audio instructions and voice recognition software to process verbal responses the sophisticated system streamlines workflows and creates real efficiencies for Mainfreight.

Locational advantages

T&G Global, Mt Wellington
Central to Auckland's large consumer market Mt Wellington estate is ideally located for the customers fruit and vegetable supply business.

A preference for logistics facilities in central city locations is a growing trend in developed industrial markets all around the world.

Companies are critically reviewing their real estate requirements and positioning their businesses close to consumers. It simplifies supply chains and creates efficiencies that leverage the growth in online retailing.

GMT's portfolio is strategically located across Auckland. It includes estates in the established industrial suburbs of East Tāmaki, Māngere, Mt Roskill, Mt Wellington, Ōtāhuhu, Penrose and Wiri. Each estate provides customers with specific benefits unique to that location, examples of these include;

- Direct motorway access
- Proximity to the airport or port
- Inland port facilities
- Rail sidings

Every one of the Trust's 11 estates is central to Auckland's large population base. Geo-spatial analysis shows that the consumer catchment, within a 20-minute delivery radius of any of these estates, has an average $24.5 billion of annual purchasing power.

With few development sites remaining in the portfolio and limited greenfield land opportunities in Auckland, the investment focus has broadened to include assets in these in-fill locations.

Mt Wellington Estate, located near Sylvia Park Shopping Centre, is a 5.8 hectare property acquired in September 2019 on a sale and lease-back basis from T&G Global.

The property features functional industrial facilities. With access to State Highway 1, via the Mt Wellington interchange, it has excellent connectivity with major freight and transport infrastructure.

With site coverage of just 31% the property offers a range of longer-term development options. These options have been enhanced with the strategic purchase of a neighbouring 1.2 hectare property in May 2020.

Sustainability report

Sustainable properties

People and culture

Corporate performance

Location:
Business Parade North, Highbrook Business Park

Goodman's business strategy recognises that to become a truly sustainable, resilient, and low carbon real estate provider we need long-term thinking guiding our actions.

Sustainability

As a leading real estate investment vehicle our focus is on the built environment and the delivery of sustainable property solutions for our customers. We are committed to minimising the impact of our commercial activities and protecting the natural environment to the extent we can.

We understand the world is changing rapidly and to be part of the future we must remain agile and open to new technologies and alternative ways of working. We've set a plan and committed to clearly defined targets to ensure that we are providing our people and our customers with the spaces they need to succeed. We are equally focused on our investors, contractors, consultants, and service providers, capital providers, industry bodies, regulators and other community partners, with a sustainable business model that will deliver positive results for all stakeholders, today and into the future.

We are also asking our supply chain partners to join us on our sustainability journey. Procurement contracts are requiring that they prove this commitment to secure our business.

We're making real progress as we work toward our 2025 objectives.

Notable achievements over the last 12 months include:

- Carbonzero certification from Toitū[1]
- Reduced environmental impact with a 39.8% reduction in greenhouse gas emissions[1]
- Climate score of B- from the Carbon Disclosure Project (CDP)[1]
- Integration of the GRI reporting framework into our sustainability disclosures
- Completion of a 271kWp photovoltaic solar system for OfficeMax at Highbrook Business Park
- Achieving a baseline Green Star Performance rating of three stars for the pilot project at Highbrook
- Over $500,000 contributed to community initiatives through the Goodman Foundation

We have also worked throughout the year to improve the resilience of our workforce and wider business in response to the COVID-19 pandemic.

[1] Certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust.

It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control.

Strategic framework

Goodman's unique Own+Develop+Manage operating model represents its core commercial functions. This strategic approach is supported by a sustainability framework that is fully integrated across all business activities.

A sustainable real-estate business model, that minimises adverse environmental, economic and social impacts, is essential if the Trust is to be successful over the long-term. Acknowledging that its corporate performance is integral to its reputation and longevity, Goodman has integrated these core sustainability principles into its business strategy and brand values.

The three pillars of our sustainability framework

Sustainable properties

As a long-term investor, we seek to future-proof our portfolio. We own and develop high-quality, energy efficient properties in strategic locations, close to consumers and key transport infrastructure. A focus on workplace amenity ensures Goodman facilities are also designed to meet our customers wider business needs.

People and culture

We believe that a business with a safety conscious and inclusive culture, that is positively connected with its community, will deliver superior long-term results. Our people are recruited and rewarded based on their commitment to these values, their professional expertise and their long-term strategic and ethical thinking.

Corporate performance

We critically assess our performance and provide investors, regulators, customers and community partners with detailed information about our business activities. A sustainable capital structure, contemporary governance policies and commitment to environmental and social initiatives give these stakeholders confidence in our strategy.

Material factors

The three pillars of sustainable properties, people and culture, and corporate performance incorporate the sustainability topics that are relevant to our business.

We've previously identified 16 factors as important contributors to our long-term success. Following recent interviews, where we asked stakeholders what drivers of change they considered to be the most significant for our business, we have refined the list which now includes 14 material factors.

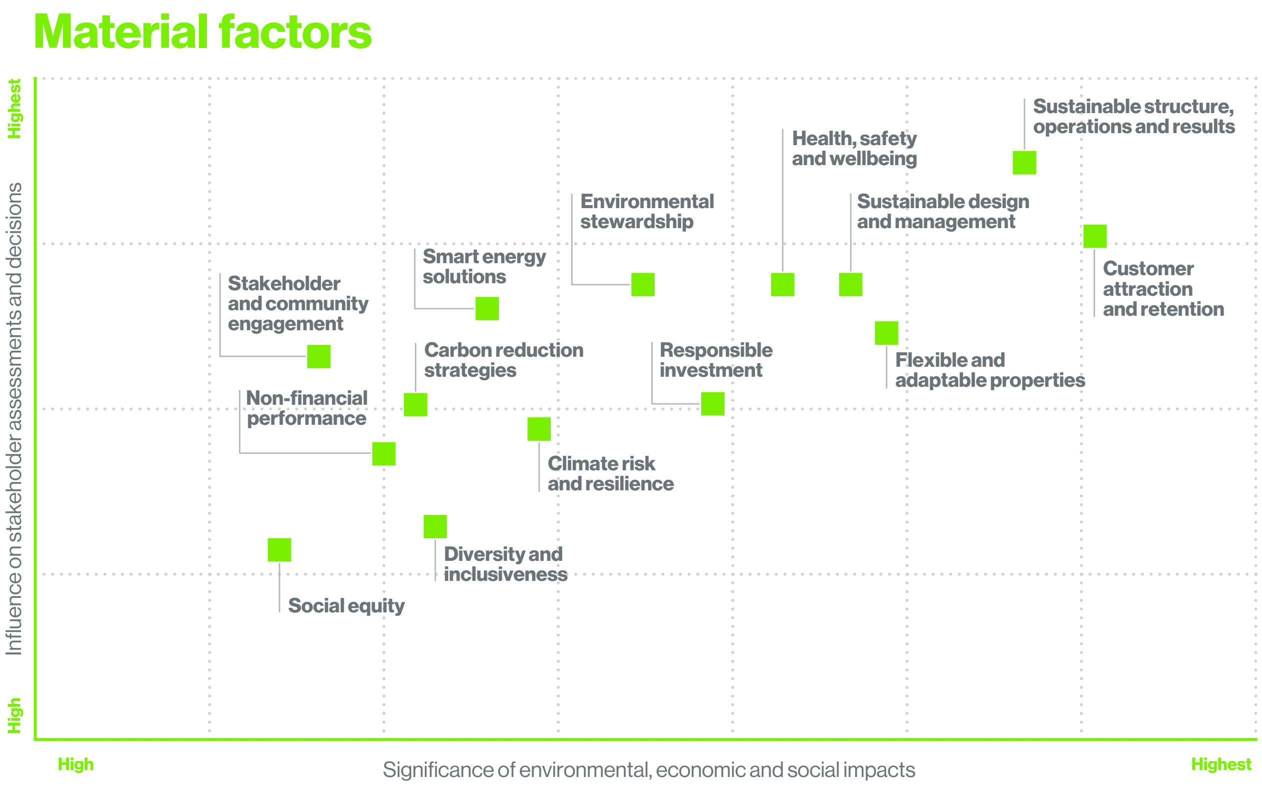
Facilitated by Proxima, the engagement process included a workshop with Goodman team members to review and consider existing material factors.

Face to face, online and phone interviews were then conducted with a representative group of stakeholders. The group included customers, investors, analysts and community partners.

Of the 22 targeted, 14 participated.

This consultation has refined our material factors and helped prioritise our focus.

We're challenging ourselves to do better, and do more for the benefit of all, across each of these areas.



The following pages describe these factors and how they integrate into our broader business strategy. It includes reporting on a range of non-financial metrics, monitoring progress against future targets and being accountable for our performance.

M20 Business Park
Health and safety briefing on-site at 70 Plunket Ave.

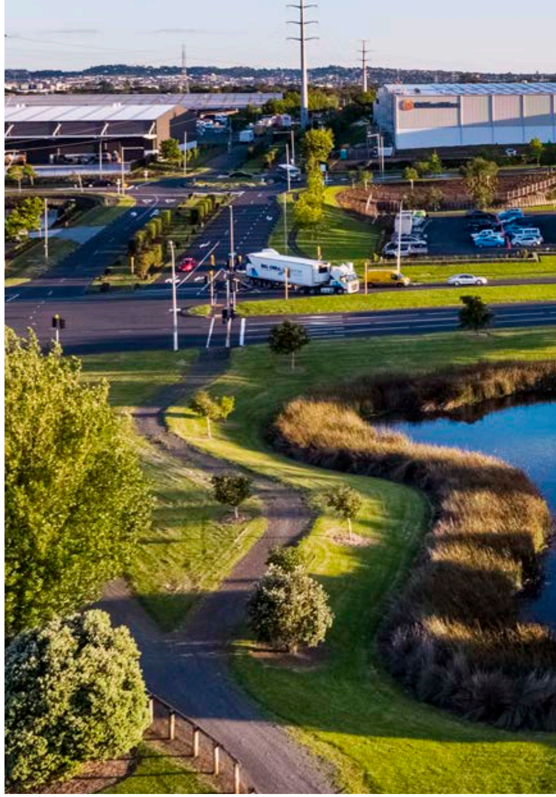
Sustainable properties

The material factors that guide our investment strategy include:

- Customer attraction and retention
- Sustainable design and management
- Smart energy solutions
- Climate risk and resilience
- Carbon reduction strategies
- Flexible and adaptable properties

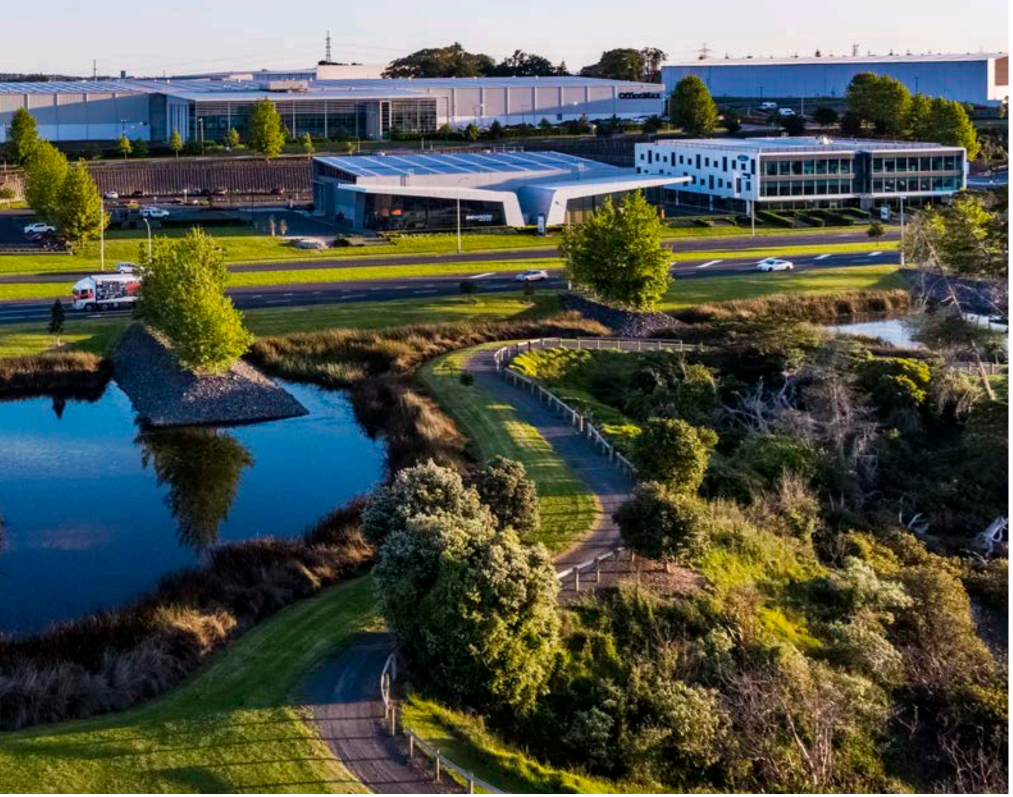
The table below includes the specific targets we have adopted in relation to these key business drivers:

Target	Progress	Status
Carbon neutral by 2025	■ Toitū carbonzero certification achieved in 2021 ■ Implementation of emissions reduction plan ■ 19.4% reduction in absolute emissions to 707 tCO_2 by 2025	✚✚✚✚✙
100% renewable energy use by 2025	■ 100% certified renewable energy by 2025	✚✚✚✚✙
Sustainable development programme	■ All new projects to target a 5-star Green Star rating ■ Future developments to reduce and offset embodied carbon	✚✚✚✙✙
Solar Energy	■ 0.4 MW installed to date ■ 1.0 MW planned within development programme ■ Work with customers on retrofit projects	✚✚✙✙✙
Maintain portfolio occupancy above 95%	■ 99% average occupancy	✚✚✚✚✚



Top:
Stormwater management, Highbrook Business Park
Functional systems like the retention ponds are designed to integrate with the landscape. They feature wetland plants that aid water filtration.

Bottom:
Rainwater harvesting, Highbrook Business Park
With water security an ongoing issue for Auckland, collecting rainwater for greywater use, irrigation, building and vehicle washing adds resilience to our facilities.



GMT's modern property portfolio is strategically located across Auckland, close to consumers and key transport infrastructure. It provides customers with highly efficient and flexible spaces that help their businesses succeed.

Maintaining these properties to a high standard and delivering outstanding customer service contribute to the strong relationships that underpin GMT's financial results. A target occupancy rate above 95% (FY21 average 99%) ensures we are meeting the needs of our customers and developing only to meet demand.

The Trust's successful development programme is increasingly focused on the redevelopment of strategic brownfield sites, within the portfolio. These inner-city properties provide the greatest efficiency for logistics customers focused on last mile delivery, minimising travel distances and carbon emissions from transport. Replacing or repurposing obsolete buildings and remediating contaminated sites improves the quality and performance of existing building stock without consuming additional land, a diminishing resource in a growing city.

Goodman's base-build specification has been reviewed to ensure our new warehouse and logistics facilities remain industry leading.

They are constructed from sustainably sourced building materials and we manage the development process to reduce waste and other environmental impacts. We work collaboratively with customers and consultants, incorporating the latest technology to maximise the operational performance and energy efficiency of these new buildings.

The redevelopment of Roma Road Estate is the latest example of this focus. The inner-city distribution hub will be a highly sustainable, carbon neutral development. The facilities will be 5-Star Green Star rated and are expected to feature the latest design innovations, including automated LED lighting, rooftop solar-energy systems and EV charging facilities.

Ongoing energy and waste monitoring across the portfolio allow us to benchmark our existing properties, comparing them against best-practice industry standards.

Improving the environmental performance of these buildings, which have an average age of around 12.5 years, continues to be a priority.

Five facilities at Highbrook Business Park are currently included in a pilot study using the Green Star Performance tool. With a baseline assessment of 3 Star (good practice), the rating of these buildings is expected to be improved to 4 Star (best practice) with building management system optimisation and upgrades over the next two years.

The pilot provides valuable insights into how we can reduce the environmental impact of the existing portfolio.

greenstar

New Zealand Green Building Council
nzgbc.org.nz

Goodman's base-build specification for new developments includes:

- Energy-efficient design including automated LED lighting
- Electrical sub-metering for performance monitoring and measurement
- Charging points for electric vehicles
- HVAC systems that utilise low emission refrigerants
- Low-E double glazing to reduce noise and regulate thermal comfort
- Low-flow water fittings together with rainwater harvesting
- Use of low volatile organic compound materials and finishes
- Bike racks and end of trip facilities (size dependent)

NCI Packaging, Savill Link
All new warehouse developments include energy efficient LED lighting and skylights to maximize natural light.

Managing climate risk

Acknowledging the threat of climate change, our sustainability programme includes ambitious emission reduction targets that align with the objectives of the Paris Agreement and the limiting of global warming to less than 2 degrees.

Mitigating the impacts of climate change by measuring and minimising greenhouse gas emissions (GHG) has become an essential business activity and we have partnered with Toitū to help us on this journey. With the completion of an audited Emissions Inventory and a detailed Emissions Management and Reduction Plan we have made substantial progress, achieving Toitū carbonzero certification this year.

The certification encompasses Goodman (NZ) Limited, Goodman Property Services (NZ) Limited and Goodman Property Trust. It includes emissions from operational activities and from the buildings and spaces within the portfolio where the Manager has operational control.

TOITŪ
CARBON ZERO
ISO 14064-1 ORGANISATION

Carbon Management | Toitū Envirocare
toitu.co.nz

Solar energy pilot

OfficeMax is an existing customer that has recently committed to solar energy. The office product and business consumable reseller has had an 880-panel solar array installed on the roof of its warehouse at Highbrook Business Park. With an annual generation capacity of 374,000 kWh the system is expected to provide more than 20% of the customer's electricity, enough to power 57 New Zealand homes for a year.

Assurance from Toitū confirms our GHG emissions have been measured in accordance with ISO 14064-1:2006 and that we have offset unavoidable emissions with the purchase of New Zealand sourced carbon credits.

GHG Emissions tCO_2e	FY21	FY20 (base year)	% change
Scope 1	270.44	596.19	(54.6)
Scope 2	202.52	173.05	17.0
Scope 3 (mandatory)	55.62	108.27	(48.6)
Total	**528.58**	**877.50**	**(39.8)**

The table above details the emissions profile of the business. The largest emission sources include refrigerant losses (HVAC system failures), electricity consumption, fleet vehicle use, corporate travel and waste.

A reduction in refrigerant losses, from 453 tCO_2e in FY20 to 158 tCO_2e in FY21, was the main contributor to the overall reduction in GHG emissions.

While we expect some volatility year to year our target objective is to reduce absolute emissions by 19.4% before 2025 (within five years of the 2020 base year).

This commitment includes improving the performance of the buildings within the portfolio, minimising the energy consumed, the waste produced, and the emissions generated.

With the construction and building sector contributing almost 20% of New Zealand's emissions the level of embodied carbon within our developments is also being critically assessed.

As part of our commitment to being a sustainable business, new materials and building techniques will be adopted to mitigate these emissions. Future developments will also have the balance of the embodied carbon offset.

People and culture

Focusing on the following material factors helps create a safe and inclusive business:

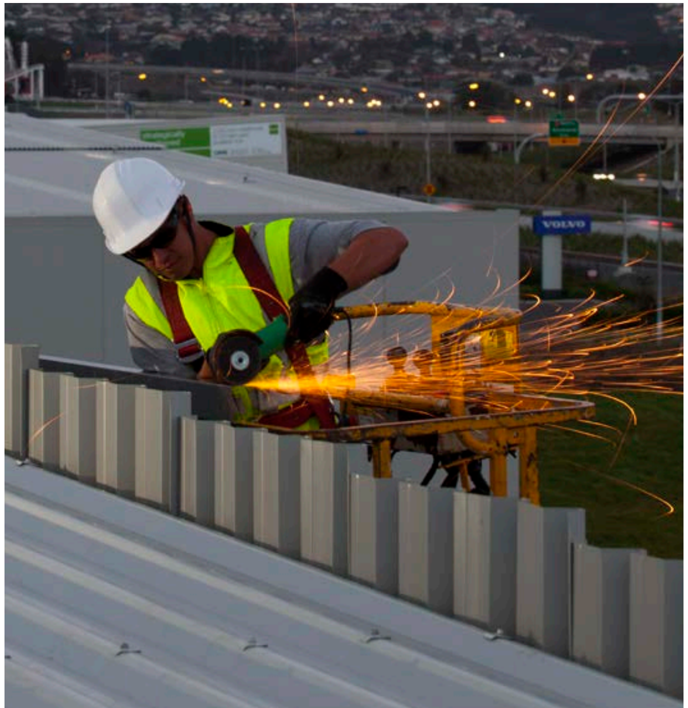
- Health, safety and wellbeing
- Diversity and inclusiveness
- Social equity

The table below includes the specific targets we have adopted in relation to these key business drivers:

Target	Progress	Status
Safe working environment	■ Zero serious harm injuries across all workplaces and contractor-controlled worksites in FY21 ■ Goodman safety framework with training and induction programmes operating ■ Contractor induction and certification	✚✚✚✚✙
Diverse workplace	■ Gender, ethnicity and age representation targets set for 2023 ■ Progressive work policies and practices to encourage a more diverse business	✚✚✚✙✙
Goodman values demonstrated widely and consistently	■ Internal training and communication programmes to promote corporate values ■ Formal performance assessments include measurement against Goodman values	✚✚✚✚✙

Top:
Highbrook Park
The estate is surrounded by 40 hectares of parkland and recreational areas that are for the benefit of the whole community.

Bottom:
Diversity and inclusion
On average, a Goodman team member has been with the business for 8.1 years and is approximately 40 years old. It's a team that includes 12 different ethnicities, with speakers of 14 different languages.



The health, safety and wellbeing of our people, our customers, our contractors, and the wider community has always been our priority.

A detailed policy governs our approach and ensures our obligations under the Health and Safety at Work Act 2015 are complied with every day. Extensive staff training and contractor induction programmes together with comprehensive safety procedures and work practices help create a culture where individuals are empowered to identify, report, and actively prevent harm from occurring.

We are committed to creating a safe working environment, free of accidents and other workplace risks. A management Health and Safety Committee, that reports to the Board, oversees our Health and Safety programme.

There were 38 health and safety incidents reported in FY21 compared to 41 in FY20. This includes all operations involving staff and contractors together with any reported incidents occurring within the public areas of our portfolio. This reporting includes hazard observations, near misses, injuries requiring first aid, injuries requiring medical treatment and serious harm injuries. 100% of the incidents were classified as minor with no serious harm accidents last year, a pleasing result that we're proud to have maintained since FY18.

Our responsibilities for keeping people safe and well have been reinforced over the last year as we have dealt with the impacts of a global pandemic.

We responded to COVID-19 by extending our health and safety procedures with new social distancing and contract tracing protocols and by providing personal protective equipment to staff and their families. These precautionary measures have helped keep our team and worksites safe while agile work practices have allowed us to quickly adapt to the new working arrangements made necessary by Alert Level restrictions.

Goodman's flexible work policy also ensured that every employee received a significant financial contribution toward a home office setup. This has encouraged a more permanent shift in work practices with over 98% of staff now working remotely at least one day a week. It's a positive outcome that will help contribute to a more diverse workforce over time.

Health & Safety Reporting	**FY21**	FY20	**% change**
Reported incidents	38	41	(7.3)
Serious harm injuries	0	0	–

Bottom:
Health and safety
Goodman's health and safety responsibilities extend to the contractors working on its development projects.

Goodman brand values guide how we interact with each other and ensure we provide customers and investors with consistently high-quality service as well as innovative and sustainable property and investment solutions.

We celebrate individual differences and have a comprehensive inclusion and diversity policy that sets goals across gender, ethnicity and age.

The principles of this policy:

- promote a culture of inclusion that values and respects individual differences and is free of harassment, victimisation and discrimination;
- ensure our work practices and workplace facilities provide the flexibility needed to support an inclusive and diverse culture;
- provide equal access to all employees for skills development and career path progression;
- recruit and reward equitably on the basis of merit, and
- comply with all regulatory and compliance obligations in relation to diversity and inclusion.

Page 105 includes more detail about the diversity targets we have set to broaden representation across our business.

Flexible employment policies also help reduce bias and ensure we are an inclusive and progressive organisation.

To further empower our people, we have a wellbeing programme focused on health and happiness. These initiatives include annual flu vaccines and skin checks, fun-run events at Highbrook and guest speakers on topical issues. Our workplaces provide high levels of amenity in locations that also offer staff and customers a wide range of recreational opportunities.

Top:
Pink caravan
One of the community health initiatives supported at Highbrook Business Park during the year.

Right:
Highbrook heroes
Val Ralph-Smith of Metro Performance Glass and Russell Hunter of Stanley Black and Decker, the inaugural Highbrook heroes. The award recognises individuals who make a positive community contribution.

These measures have all contributed to a positive work environment which has been reflected in the results of an all staff survey in February 2021. The high level of engagement and satisfaction is a pleasing outcome that indicates we are delivering a business strategy that has the widespread support of our team. The result also confirms that these individuals feel connected and included.

Confidential support is also available through the Employee Assistance Programme should staff prefer external help when personal or work issues arise that affect their wellbeing or impact their ability to do their job.

Training opportunities are encouraged as part of an individual's career path development and we support wider participation in our industry with an annual scholarship for an Auckland University property student.

We have also extended the support we provide our community partners through the Goodman Foundation, contributing more than $500,000 over the last 12 months to social initiatives that aim to improve the quality of life, standard of living and health of people in the communities where we operate.

KiwiHarvest and the New Zealand Food Network, both food rescue and distribution organisations are the largest of these sponsorships. See pages 45 to 49 for a profile of all the charities and groups that benefit from our community participation.

Thomas Papesch, Property Manager
One of Goodman's 58 team members Thomas works with the 110+ customers at Highbrook Business Park.

Goodman values

Goodman's values shape our behaviour and contribute to a successful and innovative culture.

customer+focus
Be closer to our customers' world and their changing needs.

innovative+dynamic
Be more creative in our thinking and dynamic in our actions.

open+fair
Be adaptable and considerate in our dealings inside and outside our business.

performance+drive
Do what we say we'll do and make things happen.

team+respect
Recognise the worth in each other and collaborate for better results.

Corporate performance

The material factors critical to the success of our business include:

- Sustainable structure, operations and results
- Stakeholder and community engagement
- Environmental stewardship
- Responsible investment
- Non-financial performance

The table below includes the specific targets we have adopted in relation to these factors.

Target	Progress	Status
Retain investment grade credit rating of BBB	■ Continue to meet financial targets while maintaining gearing within the new 20% to 30% preferred range ■ Sustainable distribution policy introduced ■ Long-term occupancy of more than 95%	✚✚✚✚✚
Governance and disclosure	■ Continued alignment with the NZX Corporate Governance Code ■ Two new independent directors appointed ■ GRI reporting framework adopted ■ Material factors reviewed	✚✚✚✚✙
External certification	■ Achieved Toitū carbonzero certification in FY21 ■ Target improved CDP Score in FY22 ■ Green Star Performance pilot assessment to complete in FY23	✚✚✚✙✙
TCFD compliant reporting by 2023	■ First TCFD report expected to be released in 2022	✚✙✙✙✙

We critically assess our performance and provide investors, regulators, customers and community partners with detailed information about our business activities.

Transparent and robust governance structures give these stakeholders confidence in our reporting and we engage regularly across a variety of communication channels on a range of topics and issues including sustainability.

Financial stability is a prerequisite for a sustainable business. It includes:

- Responsible and ethical investing
- The long-term returns of our assets
- The distributions paid to investors
- Access to capital and debt funding
- Balance sheet resilience
- Consistency of results

We have a disciplined approach to investment and manage prudently ensuring we retain a strong balance sheet with diverse sources of funding. The Board's preferred gearing range of between 20% and 30% is well below the maximum of 50% allowed under GMT's Trust and debt covenants. With only partly drawn debt facilities and low gearing the Trust has substantial capacity for new investment. This financial flexibility also provides added resilience against unforeseen market shocks that could impact property values.

A revised distribution policy that retains up to 20% of cash earnings is a sustainable approach that ensures GMT can continue to grow.

Maintaining high occupancy and customer retention levels is a key driver of our success. The strength of these businesses underpins our own financial performance, providing the strong rental cashflows that drive earnings growth and returns to investors. The distribution guidance for FY22 is for a 4% increase in cash distributions to around 5.5 cents per unit.

The strength of GMT's financial position, its prudent management policies and proven business strategy are recognised in the investment grade credit rating of BBB from S&P Global Ratings. The rating has remained stable since it was first assigned in 2009.

The Board has ultimate responsibility for ensuring risk is managed effectively. This includes consideration of all strategic, operational, financial and compliance risks. Non-financial issues, including the impacts of climate change are also included within this risk framework.

The corporate governance section on page 104 provides further detail and compares our approach against the principles and recommendations of the NZX Corporate Governance Code.

The full suite of governance polices are available online: https://nz.goodman.com/who-we-are/corporate-governance.

Participation in international reporting initiatives, that follow credible and proven frameworks, is a requirement of any business focused on sustainability.

A commitment to reducing its environmental footprint led Goodman to first participate in the Carbon Disclosure Project (CDP) in 2009. The global initiative encourages companies, cities, states and regions to monitor greenhouse gas emissions and implement strategies to reduce carbon pollution and minimise climate change impacts.

CDP released the results of last year's survey in December 2020. The Trust received a climate score of B- which was consistent with the previous year. There were approximately 25 NZX companies that contributed data (19 publicly disclosed their ratings) with CDP evaluating more than 9,600 organisations worldwide. Of them, 277 achieved an A rating. Both A and A minus are regarded as "leadership level". Scores B and B minus are considered "management level", C and C minus are "awareness level" and D and D minus are "disclosure level".

The implementation of emission management and reduction strategies, together with the independent audit assurance provided by Toitū carbonzero certification are expected to contribute to an improved CDP climate score in the next CDP survey.

You can find out more about the Carbon Disclosure Project and the rating process at www.CDP.net.

Adopting the GRI framework this year has aligned our corporate reporting with the world's most widely used standards for sustainability reporting. The index on page 50 allows stakeholders to access and review key information around our sustainability programme, enhancing transparency and accountability.

The standard is particularly useful for investors and fund managers who need consistent reporting when screening or assessing investment vehicles on ESG criteria.

As a leading NZX investment entity we have a responsibility to provide timely, balanced and readily available information. We engage with our stakeholder groups on a regular basis, through a variety of communication channels, including formal reporting obligations, regular market announcements and briefings, and more directly through open days, road shows, presentations, meetings and volunteering initiatives.

Our memberships and partnerships include Australasian Investor Relations Association, Diversity Works, Global Women, Greater East Tāmaki Business Association, NZ Green Building Council, New Zealand Shareholders Association and Property Council of New Zealand.

Following the government's announcement last year that it intends to make climate related financial disclosures mandatory GMT's future reporting will be extended to ensure it is consistent with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). Work is already underway assessing the risks and likely performance of the Trust under a variety of climate scenarios across short, medium and longer timeframes.

Doing good in the world

Community and community health

Goodman Foundation

Children and youth

Food rescue and environment

Goodman Foundation

Further together

Supporting the various stakeholder groups in the communities where we operate is fundamental for a business focused on long-term relationships and sustainable growth. Through our partnerships with a range of charity organisations, we're able to make a real difference, where and when it matters most.

The impact of COVID-19 has intensified demand for the services of many of these groups. The Foundation has responded with an increased contribution in the areas of mental health, distribution of food and essential goods, vulnerable people and domestic violence.

How we help

The Goodman Foundation offers support to charities within three key areas: Children and youth, Community and community health and Food rescue and environment. Support can take the form of:

- **Cash grants** — provided to fund identified projects or needs over one to three years
- **Do good** — Goodman team volunteering or fundraising for charities
- **Give back** — workplace giving schemes that match staff contributions dollar for dollar
- **In-kind** — donating our expertise, warehouse space or other critical items

Food rescue and **environment**

We support charity organisations that are redistributing food and other goods that would otherwise go to waste.

Volunteering
Jo Brailsford, John Dakin, Kimberley Richards and James Spence bagging produce at KiwiHarvest.

Goodman help out regularly, with four volunteers working for three hours every four weeks.

KiwiHarvest

The Goodman Foundation in New Zealand is a founding supporter of KiwiHarvest, a food rescue organisation that collects nutritious but perishable food destined for landfill. The rescued food is then redistributed to community agencies for those in need.

Founded by Deborah Manning in 2012, and now with facilities in Auckland, the North Shore, Dunedin and Queenstown, the service collected and redistributed 2.2 million kgs of food over the 12 months to 31 March 2021. Equivalent to over 6.2 million meals it included surplus produce, protein, mislabelled goods and grocery items approaching expiry, the volume of food rescued was 83.3% greater than the year before. It's an outstanding achievement only made possible through the generosity of sponsors and food donors, and the tireless efforts of volunteers and staff.

Demand from social agencies for food parcels has escalated rapidly as a result of COVID-19 with the volume of food being collected and distributed by KiwiHarvest more than doubling during the initial lockdown.

While food shortages caused real hardship early in the pandemic, additional contributions from new and existing food donors have helped address the increased levels of food insecurity in our communities. These contributions included over 0.66 million kgs of local pork products being distributed in conjunction with the Ministry of Primary Industries.

www.kiwiharvest.org.nz

New Zealand Food Network (NZFN)

The Foundation has also been proud to support the New Zealand Food Network. Established during the COVID-19 pandemic the organisation is facilitating the efficient delivery of large volumes of surplus food through a national distribution network.

Supported by the Ministry of Social Development, the creation of NZFN is enhancing the work of those community organisations already focused on addressing food poverty in New Zealand. In the first nine months of operation over 2 million kgs of food has been distributed to foodbanks, food rescue and community food services.

The new distribution facility for NZFN is located at Highbrook Business Park adjacent to the KiwiHarvest premises on Underwood Street. The organisation has taken a three-year lease over the property with the Goodman Foundation making a financial contribution toward racking, warehouse equipment and office fit out costs.

Greater supply chain co-ordination is helping reduce the levels of nutritious food going to waste, redirecting it to where the need is greatest and contributing to healthier communities – leading to better social and environmental outcomes.

www.nzfoodnetwork.org.nz

Community and community health

We work with charity organisations that support people living with a condition, illness or disability, or whose efforts create a more inclusive and equitable community.

New Zealand Heart Foundation

That's How We Row was a fund-raising initiative of Mark Taylor, a manager with Dempsy Wood Civil Limited that raised $100,000 for the New Zealand Heart Foundation. The aim of the event held at the Auckland Rowing Club on 6 November 2020, was to raise awareness of heart disease while providing financial support for research and specialist cardiologist training.

Despite living with physical disabilities associated with a rare neurological disorder, Mark set himself the challenge of completing 100km on a rowing machine in under eight hours. Others joined Mark on the epic challenge including friends and colleagues from the construction and building industry. Goodman's team of rowers worked in relay and completed the 100km in just 6 hours and 22 minutes. With donations, fundraising and Goodman Foundation support the team contributed around $10,000 of the $100,000 that was raised.

www.givealittle.co.nz/fundraiser/thats-how-we-row

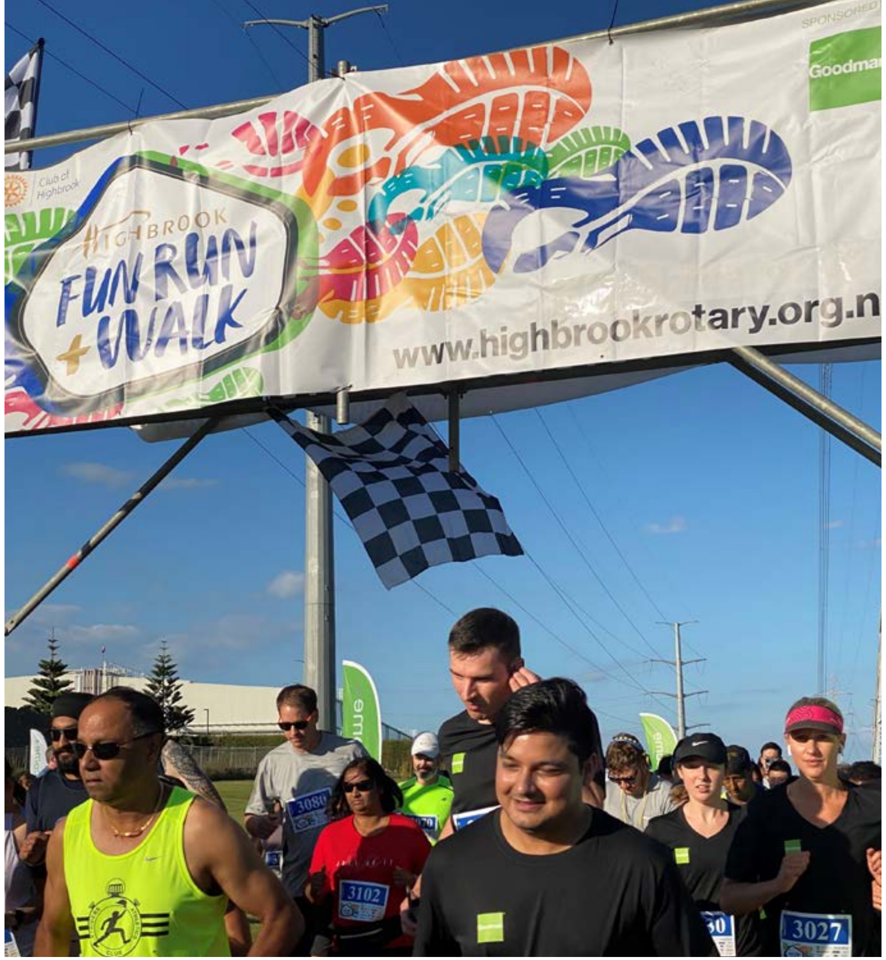
BrainTree

BrainTree is the name of the centre for community-based, holistic neurological care being developed on Langdons Road in Ōtautahi-Christchurch. It's a wellbeing initiative of the Canterbury Brain Collective.

The new wellness centre will become the base for Multiple Sclerosis & Parkinson's Canterbury and Dementia Canterbury, as well as other like-minded, local health organisations. It will provide a space for people and their whānau to connect with others who understand, and encourage engagement with support services. The aim is to enable people with neurological conditions to live well and to live independently.

The $6.3 million project has been funded through charitable donations from corporate and private donors together with a public fundraising campaign. The Goodman Foundation is proud to be one of the first corporate contributors.

www.canterburybraincollective.org



Highbrook Fun Run
Goodman is a principal sponsor of the annual Highbrook Fun Run. Over $23,000 was raised for local charities like the Life Education Trust, Middlemore Foundation and Totara Hospice.

Ongoing support

Through the Foundation's give back initiative and other fundraising, financial contributions were also made to the following community and community health organisations:

- 4U Mentoring
- Diabetes New Zealand
- Middlemore Foundation
- OrangeSky Aotearoa
- Multiple Sclerosis Society of New Zealand
- Ronald McDonald House
- Starship Foundation

Children and youth

The benefits of early intervention, quality education and ongoing assistance underpins the Goodman Foundation's work with charitable organisations that help to protect, nurture and support children and young people.

Duffy Books in Homes

Recognising that children who can't read often become adults who can't write, led author Alan Duff to establish this nationwide reading initiative in 1994. Helping break the cycle of 'booklessness', more than 13 million books have been distributed with 700+ schools and education centres participating.

The Goodman Foundation currently sponsors three South Auckland primary schools, with 1,200 students each receiving five new books a year.

They include:

- Fairburn School, Ōtāhuhu
- Sir Edmund Hillary Junior School, Ōtara
- Wiri Central School, Wiri

Strong relationships have been established with these schools and additional donations of surplus IT equipment have also been made in recent years.

www.booksinhomes.org.nz

Goodman is proud to have been a Duffy supporter for over 10 years. Providing Kiwi kids with books that inspire a lifelong love of reading stimulates learning and helps them achieve their potential.

Sir Edmund Hillary Junior School
Bruno Warren and William Main of Goodman's development team were guests at the Duffy assembly in March 2021.

Helping vulnerable families

Everyone has the right to be safe, have shelter, be fed, be loved, to dream, have their say and be heard.

Women's Refuge is supporting families impacted by domestic violence while the Grace Foundation is helping marginalised members of our community to live healthy, sustainable lives. Each of these charities received donations from the Goodman Foundation last year.

www.womensrefuge.org.nz

www.gracefoundation.co.nz

Scholarships

Through its sponsorship of the Tania Dalton Foundation and Keystone Trust, the Goodman Foundation is supporting annual scholarships for young athletes and students who face circumstantial hardship that restricts their opportunities.

Both organisations include mentoring and extensive pastoral care to help recipients achieve their potential, develop as people and make a difference in their communities.

www.taniadaltonfoundation.org.nz

www.keystonetrust.org.nz

Tania Dalton Foundation

Top left and right: Sharne Pupuke-Robati completed her three year scholarship in 2020. Her focus on basketball taking her to Utah State University, where she has played in the US college competition, and onto higher honours in our own national basketball league.

Bottom left and right: Luisa Togotogorua is the latest recipient of the scholarship. The Howick College student and talented halfback is already a member of the Auckland Storm Farah Palmer Cup team and the Auckland Blues Super Rugby team.

GRI index

Goodman has chosen to prepare its 2021 Annual Report in accordance with the Global Reporting Initiative (GRI) Standards (core option). The GRI Standards are the world's most widely used sustainability reporting standard.

The GRI index shows where in this report information can be found about the indicators that are relevant to our business operations.

General disclosures

Disclosure title	GRI	Location or reference
Name of the organisation	102 – 1	Goodman Property Trust
Activities, brands, products and services	102 – 2	Page 4, https://nz.goodman.com/who-we-are/about-us
Location of headquarters	102 – 3	Page 117
Location of operations	102 – 4	Page 117
Ownership and legal form	102 – 5	Page 62, NZX Listed Unit Trust
Markets served	102 – 6	Page 4, https://nz.goodman.com/who-we-are/about-us
Scale of the organisation	102 – 7	Page 4, https://nz.goodman.com/who-we-are/about-us
Information on employees and other workers	102 – 8	Page 105
Supply chain	102 – 9	Pages 22–28, 31
Significant changes to the organisation and its supply chain	102 – 10	None
Precautionary principle approach	102 – 11	Goodman's risk management process uses the precautionary principle to assess potential impacts across a range of ESG criteria
External initiatives	102 – 12	Pages 45–49
Membership of associations	102 – 13	Pages 42, 44
Statements from senior decision-maker	102 – 14	Pages 8–13, 14–19
Values, principles, standards, and norms of behaviour	102 – 16	Pages 38–41, https://nz.goodman.com/-/media/files/sites/new-zealand/about-us/corporate-governance/code-of-conduct.pdf
Governance and structure	102 – 18	Pages 102–103, 110–111
List of stakeholder groups	102 – 40	Pages 31, 33
Collective bargaining agreements	102 – 41	None
Identifying and selecting stakeholders	102 – 42	Pages 31–33
Approach to stakeholder engagement	102 – 43	Page 33, 42–44
Key topics and concerns raised	102 – 44	Page 33
Entities included in the consolidated financial statements	102 – 45	Page 62
Defining content and topic Boundaries	102 – 46	Page 33
List of material topics	102 – 47	Page 33
Restatements of information	102 – 48	None
Changes in reporting	102 – 49	None
Reporting period	102 – 50	12 months ended 31 March 2021
Date of most recent report	102 – 51	Annual Report 2020 (May 2020)
Reporting cycle	102 – 52	Annual
Contact point for questions regarding the report	102 – 53	info-nz@goodman.com
Claims of reporting in accordance with the GRI standards	102 – 54	GRI Standards (Core option)
GRI content index	102 – 55	Pages 50–51
External assurance	102 – 56	None

Topic specific disclosures

Disclosure title	GRI	Location or reference
Energy		
Disclosure on management approach	103	Pages 34–37, Emissions Reduction and Management Plan
Energy intensity	302 – 3	Page 37, FY21 Emissions Inventory
Emissions		
Disclosure on management approach	103	Pages 34–37, Emissions Reduction and Management Plan
GHG emissions intensity	305 – 4	Page 37, FY21 Emissions Inventory
Occupational health & safety		
Disclosure on management approach	103	Pages 38–39, 109
Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	403 – 2	Page 39
Diversity and equal opportunity		
Disclosure on management approach	103	Pages 38, 40, 105
Diversity of governance bodies and employees	405 – 1	Page 105
Sustainable design and management – non GRI		
Disclosure on management approach	103	Pages 35–36
Customer attraction and retention – non GRI		
Disclosure on management approach	103	Pages 4, 34–35
Climate risk and resilience – non GRI		
Disclosure on management approach	103	Page 37, Emissions Reduction and Management Plan
Flexible and adaptable properties – non GRI		
Disclosure on management approach	103	Pages 23, 36
Social equity – non GRI		
Disclosure on management approach	103	Pages 45–49
Sustainable structure, operations and results – non GRI		
Disclosure on management approach	103	Page 43
Non-financial performance – non GRI		
Disclosure on management approach	103	Pages 43–44
Responsible investment – non GRI		
Disclosure on management approach	103	Pages 43, 109
Environmental stewardship – non GRI		
Disclosure on management approach	103	Pages 43–44
Stakeholder and community engagement – non GRI		
Disclosure on management approach	103	Pages 44–45, 109

Financial results

Customer mix
GMT's broad customer base is dominated by the warehousing and distribution sectors but it also includes manufacturing businesses.

Financial summary

A substantial portfolio revaluation has contributed to a record $648.9 million profit before tax.

Overview	FY21	FY20	% change
Profit before tax ($m)	648.9	284.4	128.2
Profit after tax ($m)	631.7	261.9	141.2
Movement in fair value of investment property ($m)	560.0	165.8	237.8
Operating earnings before tax ($m)[1]	114.9	109.7	4.7
Operating earnings after tax ($m)[2]	95.4	90.5	5.4
Operating earnings per unit before tax (cpu)[2]	8.26	8.16	1.2
Operating earnings per unit after tax (cpu)[2]	6.86	6.73	1.9
Cash earnings per unit (cpu)[3]	6.40	6.22	2.9
Cash distribution per unit (cpu)	5.30	6.65	(20.3)
Loan to value ratio (%)[4]	19.2	18.9	1.6
Net tangible assets (cpu)	212.5	172.7	23.0
Management expense ratio (%)	0.90	0.86	4.7
Management expense ratio (%) – excluding performance fee	0.48	0.47	2.1

Non-GAAP financial measures may not be calculated in a manner consistent with other entities.

1 Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. The calculation of operating earnings before other income/(expenses) and tax is set out in GMT's Profit or Loss statement.

2 Refer to note 3.1 of GMT's Financial Statements for the calculation.

3 Cash earnings is a non-GAAP financial measure that assesses underlying operating cashflows, on a per unit basis, after adjusting for borrowing costs and Manager's base fee capitalised to land and expenditure related to building maintenance.

4 Loan to value ratio is a non-GAAP financial measure that assess GMT's level of gearing. Refer to note 2.6 of GMT's Financial Statements for the calculation.

The 17.3% increase in the value of the Trust's property portfolio, to almost $3.8 billion, contributed $560.0 million of fair value gains to this year's statutory profit. The uplift follows the 5.7% or $165.8 million increase recorded in FY20.

The stronger revaluation result is the main contributor to the 128.2% increase in profit before tax, from $284.4 million to $648.9 million. It also underpinned the 23.0% increase in net tangible asset backing to 212.5 cents per unit (on a fully diluted basis).

The significant rise in property values has been driven by record low interest rates and positive investor demand for high-quality warehouse and logistics space across Auckland. The attraction of the asset class is reflected in the strengthening of the portfolio capitalisation rate which has firmed 70 bps over the last 12 months to 4.7%.

Adjusting for these fair value gains and other cash and non-cash items provides the reconciliation between profit and operating earnings.

Operating performance

Strong property market fundamentals were reflected in high occupancy levels, positive leasing results and new development commitments over the last 12 months. Low gearing and substantial liquidity have also allowed the Trust to secure new investment opportunities, acquiring properties neighbouring its Savill Link and Mt Wellington industrial estates for a total of $83.0 million.

The additional income from new acquisitions and recently completed developments, together with rental growth from the investment portfolio have driven the 5.3% increase in net rental income this year, to $153.0 million.

Total expenses of $38.1 million were 7.0% higher than last year. A higher base management fee, increased net interest costs and higher administrative expenses all contributed to the $2.5 million increase.

The revenue and expense items described above result in operating earnings before tax of $114.9 million, 4.7% higher than the $109.7 million recorded in FY20. On a weighted average unit basis, operating earnings before tax were 8.26 cents per unit and 6.86 cents per unit after tax.

A performance fee of $13.7 million was also earned by the Manager this year. The fee was earned as a result of the carry forward amount reflecting GMT's very significant outperformance (on a total return basis) against its listed peers in FY20. The fee is excluded from operating earnings as the Trust Deed requires it to be reinvested into new units in GMT, ensuring the interests of the Manager remain well aligned with the interests of other investors.

Balance sheet

Earlier asset sales and equity initiatives have repositioned the Trust and deleveraged the balance sheet. It has been a successful strategy that has provided GMT with the financial flexibility to fund new investment opportunities.

The issue of $200 million of eight-year and ten-year fixed interest rate bonds to New Zealand wholesale investors in September 2020 was a continuation of this prudent approach. Achieved at competitive margins the highly successful issue adds further tenor and diversity to the Trust's debt book which now includes bank borrowings, listed retail bonds, wholesale bonds and US Private Placement debt notes.

At 31 March 2021, the Trust had a loan to value ratio of just 19.2% with committed gearing of 22.5%. It's a conservative level, well below the 50% maximum allowed under the Trust Deed and debt facility covenants. With only partially drawn debt facilities the Trust retains $339 million of funding capacity for future investment.

Taxation

A total tax expense of $17.2 million results in an after-tax profit of $631.7 million, a 141.2% increase from the $261.9 million recorded in FY20.

Tax on operating earnings reflects an effective rate of 17.0%, compared to 17.5% previously.

Along with other commercial property investors GMT is again able to claim tax deductions for building depreciation. Effective from 1 April 2020, the legislative change has reduced the amount of tax paid by the Trust.

Cash earnings and distributions

Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. The table above shows how the Trust's cash earnings are calculated and how this compares to the distribution it pays.

Cash earnings of 6.40 cents per unit were 2.9% higher than the 6.22 cents achieved in FY20. The increase is ahead of initial market guidance of 6.20 cpu, which was increased to 6.30 cpu in November 2020. The increase reflects the stronger than forecast performance of the portfolio with only minor financial impacts resulting from the COVID-19 pandemic.

$ million	FY21	FY20
Operating earnings before tax	114.9	109.7
Tax on operating earnings	(19.5)	(19.2)
Operating earnings after tax[5]	95.4	90.5
Capitalised borrowing costs – land[6]	(2.3)	(3.7)
Capitalised management fees – land	(0.2)	(0.3)
Maintenance capex	(3.8)	(2.9)
Cash earnings	89.1	83.6
Cash earnings (cpu)	6.40	6.22
Distributions per unit (cpu)	5.30	6.65
Distributions % of cash earnings	82.8	106.9

5 Refer to note 3.1 of GMT's Financial Statements.

6 Refer to note 2.1 of GMT's Financial Statements.

From FY22 the cash earnings calculation will be amended to remove the straight line accounting treatment of fixed rental increases. The change will better align GMT's cash earnings measure with underlying cashflows.

Under the revised methodology GMT's FY21 cash earnings are restated at 6.28 cpu. Guidance for FY22 (on the same basis) is for cash earnings of around 6.54 cpu, a 4% increase.

Cash distributions of 5.30 cents per unit compare to 6.65 cents per unit previously. The reduction, signalled at the beginning of the year, reflects a revised payout ratio of between 80% and 90% of cash earnings.

GMT Bond Issuer Limited

GMT Bond Issuer Limited received $20.8 million of interest income (FY20 $19.7 million) and incurred $20.8 million of interest expense (FY20 $19.7 million).

The change in the interest income and interest expense amounts from the previous year reflects the $200 million of wholesale bond issues in September 2020 and the maturity of the GMB020 Goodman+Bonds in December 2020.

S&P Global Ratings has maintained the credit rating of all Goodman+Bonds at BBB+. This is one notch higher than the Trust's investment grade issuer rating of BBB as a result of the mortgage security held over GMT's property portfolio.

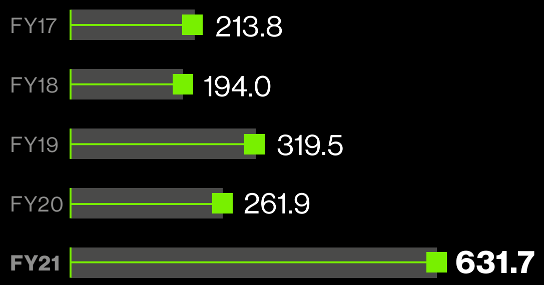
Five year financial summary

$ million	FY21	FY20	FY19	FY18	FY17
Profit or loss					
Net property income	153.0	145.3	126.8	130.1	134.2
Share of operating earnings before tax from joint ventures	–	–	2.1	10.3	8.4
Net interest costs	(22.3)	(21.9)	(16.0)	(18.7)	(18.0)
Administrative expenses	(3.0)	(2.6)	(2.7)	(2.6)	(2.9)
Manager's base fee	(12.8)	(11.1)	–	–	–
Operating earnings before other income / (expenses) and income tax	**114.9**	**109.7**	**110.2**	**119.1**	**121.7**
Movement in fair value of investment property	560.0	165.8	201.9	83.8	114.7
Disposal of investment property	–	0.3	–	0.5	(4.3)
Profit on disposal of joint venture	–	–	35.1	–	–
Dividend income from joint venture	–	–	2.1	–	–
Share of other (expenses) / income and tax from joint ventures	–	–	(0.5)	20.6	(1.4)
Movement in fair value of financial instruments	(12.3)	20.0	3.2	(8.5)	(2.5)
Manager's base fee reinvested in units	–	–	(8.6)	(8.3)	(7.7)
Manager's performance fee expected to be reinvested in units	(13.7)	(11.4)	(8.6)	–	–
Profit before tax	**648.9**	**284.4**	**334.8**	**207.2**	**220.5**
Current tax	(13.7)	(15.1)	(16.2)	(16.5)	(17.8)
Deferred tax	(3.5)	(7.4)	0.9	3.3	11.1
Profit after tax attributable to unitholders	**631.7**	**261.9**	**319.5**	**194.0**	**213.8**
Operating earnings before tax per unit (cpu)	8.26	8.16	9.04	9.25	9.51
Operating earnings after tax per unit (cpu)	6.86	6.73	7.68	7.89	8.28
Cash earnings per unit (cpu)	6.40	6.22	6.24	–	–
Cash distribution per unit (cpu)	5.30	6.65	6.65	6.65	6.65
Balance sheet					
Investment property	3,789.3	3,074.0	2,633.4	2,231.0	2,249.3
Investment property contracted for sale	–	–	43.5	238.6	7.7
Investment in joint venture	–	–	–	114.3	70.7
Total assets	3,831.5	3,168.4	2,720.5	2,719.5	2,460.7
Borrowings for LVR calculation	716.0	569.9	519.0	571.3	681.8
Total liabilities	862.3	766.3	674.3	925.8	785.8
Total equity	2,969.2	2,402.1	2,046.2	1,793.7	1,674.9
Loan to value ratio (%)	19.2	18.9	19.7	25.6	29.3
NTA per unit (cpu)	212.5	172.7	157.0	138.9	130.4
Unit price at 31 March (cpu)	226.0	214.5	173.0	133.0	120.5
Property portfolio [7,8]					
Net lettable area [9] (sqm)	1,097,698	1,059,263	1,004,794	1,111,244	989,300
Weighted average capitalisation rate (%)	4.7	5.4	5.8	6.2	6.5
Investment portfolio occupancy (%)	98	99	98	98	98
Weighted average lease term (years)	5.5	5.5	5.2	6.1	5.8
Customers	213	206	179	264	240

7 Property portfolio metrics includes GMT's joint venture interests where applicable.
8 After all contracted sales, including post balance date transactions.
9 Net of canopies and yard.

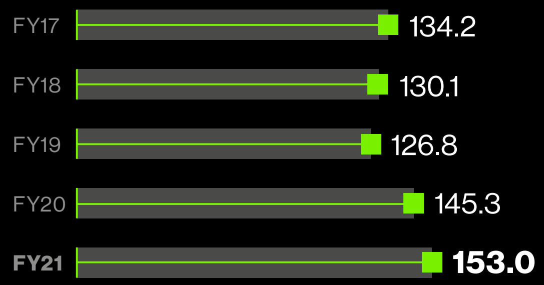
Five year financial summary (continued)

Profit after tax
$ million

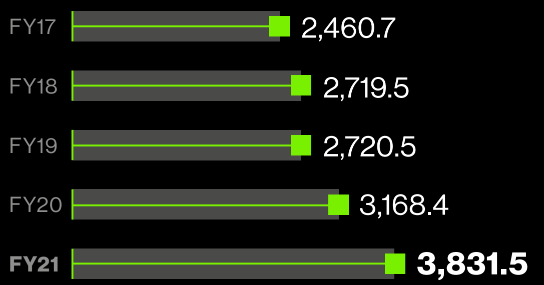


Operating earnings before tax
$ million

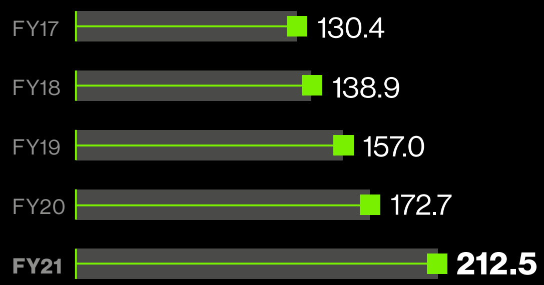
Net property income
$ million



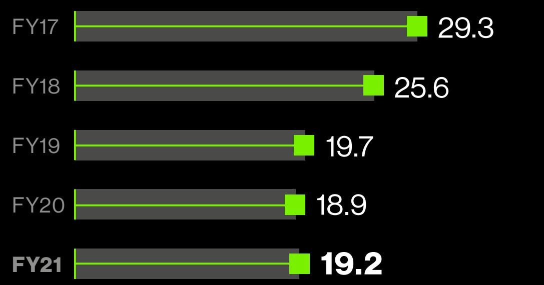
Total assets
$ million



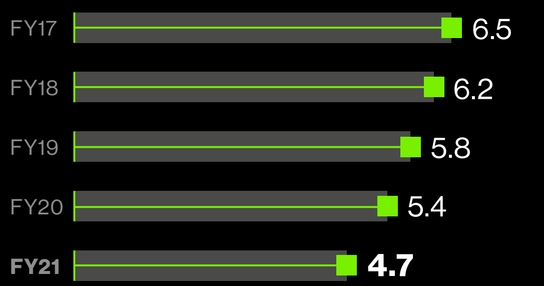
NTA per unit
cpu



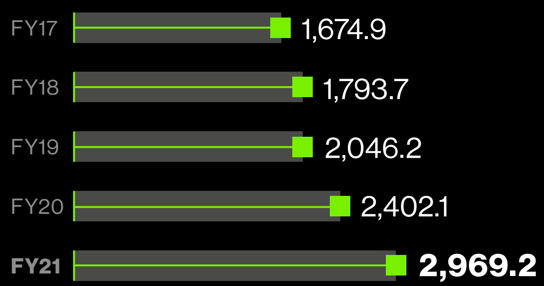
Loan to value ratio
%



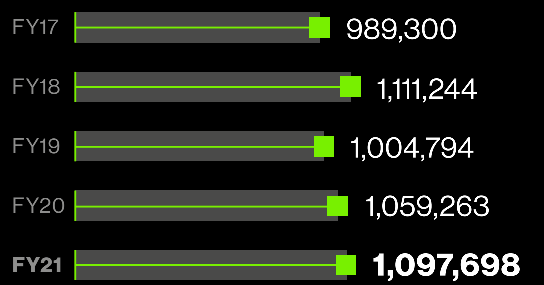
Weighted average capitalisation rate
%



Equity
$ million



Net lettable area
sqm



Goodman Property Trust Financial Statements

For the year ended 31 March 2021

The Board of Goodman (NZ) Limited, the Manager of Goodman Property Trust, authorised these financial statements for issue on 12 May 2021.
For and on behalf of the Board:

Keith Smith
Chair

Laurissa Cooney
Chair, Audit Committee

Contents

Cottonsoft, Highbrook Business Park
The customer is a tissue converting company, manufacturing and distributing leading brands of high quality toilet and tissue paper products throughout New Zealand.

Profit or loss

For the year ended 31 March 2021

$ million	Note	2021	2020
Property income	1.1	182.0	171.8
Property expenses		(29.0)	(26.5)
Net property income		153.0	145.3
Interest cost	2.1	(22.5)	(22.6)
Interest income	2.1	0.2	0.7
Net interest cost		(22.3)	(21.9)
Administrative expenses	5	(3.0)	(2.6)
Manager's base fee	9	(12.8)	(11.1)
Operating earnings before other income / (expenses) and tax		**114.9**	**109.7**
Other income / (expenses)			
Movement in fair value of investment property	1.5	560.0	165.8
Disposal of investment property		–	0.3
Movement in fair value of financial instruments	4.1	(12.3)	20.0
Manager's performance fee expected to be reinvested in units	9	(13.7)	(11.4)
Profit before tax		**648.9**	**284.4**
Tax			
Current tax on operating earnings	8.1	(19.5)	(19.2)
Current tax on non-operating earnings	8.1	5.8	4.1
Deferred tax	8.1	(3.5)	(7.4)
Total tax		**(17.2)**	**(22.5)**
Profit after tax attributable to unitholders		**631.7**	**261.9**

There are no items of other comprehensive income, therefore profit after tax attributable to unitholders equals total comprehensive income attributable to unitholders.

Cents	Note	2021	2020
Basic earnings per unit after tax	3.1	45.41	19.48

Balance sheet

As at 31 March 2021

$ million	Note	2021	2020
Non-current assets			
Investment property	1.3	3,789.3	3,074.0
Other assets		–	0.7
Derivative financial instruments	4.2	30.3	75.1
Total non-current assets		**3,819.6**	**3,149.8**
Current assets			
Debtors and other assets	6	8.9	8.0
Derivative financial instruments	4.2	–	1.6
Cash		3.0	9.0
Total current assets		**11.9**	**18.6**
Total assets		**3,831.5**	**3,168.4**
Non-current liabilities			
Borrowings	2.2	730.1	523.5
Lease liabilities	2.5	62.3	60.1
Derivative financial instruments	4.2	3.9	15.6
Deferred tax liabilities	8.2	35.4	31.9
Total non-current liabilities		**831.7**	**631.1**
Current liabilities			
Borrowings	2.2	–	100.0
Creditors and other liabilities	7	25.4	29.6
Lease liabilities	2.5	3.2	3.2
Current tax payable		2.0	2.4
Total current liabilities		**30.6**	**135.2**
Total liabilities		**862.3**	**766.3**
Net assets		**2,969.2**	**2,402.1**
Total equity		**2,969.2**	**2,402.1**

Cash flows

For the year ended 31 March 2021

$ million	Note	2021	2020
Cash flows from operating activities			
Property income received		190.0	178.0
Property expenses paid		(37.1)	(37.8)
Interest income received		0.2	0.2
Interest costs paid on borrowings		(20.0)	(19.5)
Interest costs paid on lease liabilities		(3.2)	(3.1)
Administrative expenses paid		(2.9)	(2.6)
Manager's base fee paid		(12.7)	(15.4)
Manager's performance fee paid		(11.4)	(8.6)
Net GST received		1.0	0.2
Tax paid		(14.1)	(15.8)
Net cash flows from operating activities	11	**89.8**	**75.6**
Cash flows from investing activities			
Payments for the acquisition of investment properties		(83.4)	(107.0)
Proceeds from the sale of investment properties		–	56.1
Capital expenditure payments for investment properties		(68.2)	(115.3)
Holding costs capitalised to investment properties		(6.1)	(9.9)
Net cash flows from investing activities		**(157.7)**	**(176.1)**
Cash flows from financing activities			
Proceeds from borrowings		342.0	162.0
Repayments of borrowings		(206.0)	(149.0)
Proceeds from the issue of units		11.4	185.9
Distributions paid to unitholders		(78.3)	(89.4)
Settlement of derivative financial instruments		(7.2)	(3.1)
Net cash flows from financing activities		**61.9**	**106.4**
Net movement in cash		**(6.0)**	**5.9**
Cash at the beginning of the year		9.0	3.1
Cash at the end of the year		**3.0**	**9.0**

Changes in equity

For the year ended 31 March 2021

	Note	Distribution per unit (cents)	Number of units (million)	Units ($ million)	Unit based payments reserve ($ million)	Retained earnings ($ million)	Total ($ million)
As at 1 April 2019			1,294.9	1,419.1	13.9	613.2	2,046.2
Profit after tax				–	–	261.9	261.9
Distributions paid to unitholders		6.65		–	–	(89.4)	(89.4)
Manager's performance fee – earned	9			–	11.4	–	11.4
Issue of units							
Manager's base fee – settled	9		2.9	5.3	(5.3)	–	–
Manager's performance fee – settled			4.7	8.6	(8.6)	–	–
Placement – September 2020			71.4	150.0	–	–	150.0
Retail Unit Offer – October 2020			11.9	25.0	–	–	25.0
Issue costs incurred			–	(3.0)	–	–	(3.0)
As at 31 March 2020			1,385.8	**1,605.0**	**11.4**	**785.7**	**2,402.1**
Profit after tax				–	–	631.7	631.7
Distributions paid to unitholders		5.64		–	–	(78.3)	(78.3)
Manager's performance fee – earned	9			–	13.7	–	13.7
Issue of units							
Manager's performance fee – settled	9		5.4	11.4	(11.4)	–	–
As at 31 March 2021			1,391.2	**1,616.4**	**13.7**	**1,339.1**	**2,969.2**

There are no items of other comprehensive income to include within changes in equity, therefore profit after tax equals total comprehensive income.

Subsequent event

On 12 May 2021 a cash distribution of 1.325 cents per unit with 0.232906 cents per unit of imputation credits attached was declared. The record date for the distribution is 26 May 2021 and payment will be made on 10 June 2021.

General information

For the year ended 31 March 2021

Reporting entity

Goodman Property Trust ("GMT" or the "Trust") is a unit trust established on 23 April 1999 under the Unit Trusts Act 1960. GMT is domiciled in New Zealand. The Manager of the Trust is Goodman (NZ) Limited ("GNZ") and the address of its registered office is Level 2, 18 Viaduct Harbour Avenue, Auckland.

The financial statements presented are consolidated financial statements for Goodman Property Trust and its subsidiaries (the "Group").

GMT is listed on the New Zealand Stock Exchange ("NZX"), is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 ("FMCA") and the Financial Reporting Act 2013 and is an Equity Security for the purposes of the NZX Main Board Listing Rules.

The Group's principal activity is to invest in real estate in New Zealand.

Covenant Trustee Services Limited are the Trustee and Supervisor for GMT.

Basis of preparation and measurement

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the FMCA and the NZX Main Board Listing Rules. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis except for assets and liabilities stated at fair value as disclosed.

The financial statements are in New Zealand dollars, the Group's functional currency, unless otherwise stated.

Basis of consolidation

The financial statements have eliminated in full all intercompany transactions, intercompany balances and gains or losses on transactions between controlled entities.

Significant estimates and judgements

Management is required to make judgements, estimates, and apply assumptions that affect the amounts reported in the financial statements. These have been based on historical experience and other factors management believes to be reasonable. Actual results may differ from these estimates and the difference may be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

The significant judgements made in the preparation of these financial statements are detailed in the following notes:

- Investment property (note 1.4)
- Derivative financial instruments (note 4.1)
- Deferred tax (note 8.2)

Significant accounting policies

Units are classified as equity. If new units are issued in the year, any external costs directly attributable to the issue are deducted from the proceeds received.

Distributions are recognised in equity in the period in which they are paid.

Other significant accounting policies are disclosed in the relevant notes.

Changes in accounting policy

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in the financial statements for the year ended 31 March 2020. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the financial statements.

New accounting standards now adopted

There have been no new accounting standards that are applicable to these financial statements.

COVID-19 global pandemic

During the year ended 31 March 2021, New Zealand has been subject to four separate restriction periods associated with the COVID-19 global pandemic, with Auckland being subject to greater restrictions than the balance of the country for the three most recent periods (https://covid19.govt.nz/covid-19/alert-system/). The most significant impact to the Group of the COVID-19 global pandemic was to the value of its investment property, further details of which are disclosed in note 1.4.

In addition to the impact to investment property valuations, support has been provided to customers impacted by COVID-19 in a range of manners including rent abatements, rent deferrals and lease restructures. Targeting of the support to the most impacted customers has resulted in there being no material impact on GMT's reported earnings for the year ended 31 March 2021.

The Group continues to monitor closely the ongoing impacts of COVID-19 to its customers and to the New Zealand economy. The Group's operations are being managed conservatively and prudently in relation to potential impacts on GMT resulting from COVID-19.

1. Investment property

Property income is earned from investment property leased to customers.

1.1 Property income

$ million	2021	2020
Gross lease receipts	168.2	156.2
Service charge income	20.9	20.2
Straight line rental adjustments	1.7	1.7
Amortisation of capitalised lease incentives	(8.8)	(6.3)
Property income	**182.0**	**171.8**

Accounting policies

Property income from investment property leased to customers under operating leases is recognised on a straight-line basis over the term of the lease to the extent that future rental increases are known with certainty. Fixed rental adjustments are accounted for to achieve straight-line income recognition. Where lease incentives are provided to customers, the cost of incentives is recognised over the lease term on a straight-line basis as a reduction to rental income.

Service charge income is recognised for the recoverable portion of customer's property operating expenses incurred in the accounting period.

1.2 Future contracted gross lease receipts

Gross lease receipts that the Trust has contracted to receive in future years are set out below. These leases cannot be cancelled by the customer.

$ million	2021	2020
Year 1	160.5	160.8
Year 2	142.5	147.3
Year 3	121.8	126.6
Year 4	101.1	106.6
Year 5	85.5	90.6
Year 6 and later	400.1	357.6
Total future contracted gross lease receipts	**1,011.5**	**989.5**

1. Investment property (continued)

1.3 Total investment property

This table details the total investment property value.

$ million	2021 Stabilised properties	2021 Investment property under development	2021 Total	2020 Stabilised properties	2020 Investment property under development	2020 Total
Core						
Highbrook Business Park, East Tāmaki	1,917.0	57.4	1,974.4	1,527.6	89.2	1,616.8
Savill Link, Ōtāhuhu	457.0	4.1	461.1	361.9	19.9	381.8
M20 Business Park, Wiri	351.2	11.8	363.0	279.1	10.9	290.0
The Gate Industry Park, Penrose	284.0	–	284.0	244.1	–	244.1
Westney Industry Park, Māngere	221.8	–	221.8	193.9	2.2	196.1
Total core	**3,231.0**	**73.3**	**3,304.3**	**2,606.6**	**122.2**	**2,728.8**
Value-add	485.0	–	485.0	345.2	–	345.2
Total investment property	**3,716.0**	**73.3**	**3,789.3**	**2,951.8**	**122.2**	**3,074.0**

Included within stabilised properties is a gross-up equivalent to lease liabilities of $65.5 million (31 March 2020: $63.3 million).

GMT's estates are classified as either "core" or "value-add" estates.

Core

Those estates within the portfolio which largely consist of modern, high-quality logistics and industrial properties.

Value-add

Those estates which generally consist of older properties that are likely to have redevelopment potential. Redevelopment of the properties to realise their maximum future value may require a change in use.

Significant transactions

In April 2020, GMT completed the acquisition of a value-add property at 7-8 Monahan Road, Mt Wellington for $13.0 million.

In September 2020, GMT completed the acquisition of value-add properties adjoining Savill Link, Ōtāhuhu for $70.0 million.

During the year ended 31 March 2021 seven developments were completed and were independently valued at a total of $127.0 million.

Subsequent event

In May 2021, GMT committed to the redevelopment of its Favona Road property in Māngere. The redevelopment will feature a 22,435 sqm logistics facility pre-leased to Mainfreight and a 10,770 sqm facility to be developed on a build-to-lease basis.

1. Investment property (continued)

1.4 Valuation of investment property

Key judgement

The carrying value of stabilised properties, substantially completed developments and land is the fair value of the property as determined by an expert independent valuer, from a panel of valuation companies comprising Bayleys Valuations Limited, CBRE Limited, Colliers International New Zealand Limited, Jones Lang LaSalle Limited & Savills (NZ) Limited.

Fair value reflects the Board's assessment of highest and best use of each property at the end of the reporting period. If the Board's view of highest and best use has changed any impact on value will be assessed by independent valuations. Management review the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the Board, the Chief Executive Officer, the Chief Financial Officer, the Management Valuation Committee, and the independent valuers at least twice every year in line with the Group's reporting dates. Full independent valuations are completed for stabilised properties, developments held at fair value and land at least annually. Developments where fair value is not able to be reliably determined are carried at cost less any impairment. Additionally, at each financial year end all major inputs to the independent valuation reports are verified and an assessment undertaken of all property valuation movements by management.

The fair values presented are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. If this information is not available, alternative valuation methods are used, such as; recent prices on less active markets; the capitalisation method, which determines fair value by capitalising a property's sustainable net income at a market derived capitalisation rate with capital adjustments made where appropriate; or discounted cash flow projections ("DCF"), which discount estimates of future cashflows by an appropriate discount rate to derive the fair value. The key assumptions used in the valuations are derived from recent comparable transactions to the greatest extent possible; however, all three of the valuation methods rely upon unobservable inputs in determining fair value for all investment property.

Valuations also reflect the following unobservable inputs, where appropriate: the quality of customers in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the customer; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

All investment property is categorised as level 3 in the fair value hierarchy. Refer to note 12.6 for details of the hierarchy and the Group's transfer policy. During the year, there were no transfers of properties between levels of the fair value hierarchy.

The key valuation inputs used to measure fair value of investment property and investment property under development held at fair value are disclosed below, along with the weighted average value for each input:

		Weighted average valuation input value		Measurement sensitivity	
Key valuation input	**Description**	**2021**	2020	**Increase in the input**	**Decrease in the input**
Market capitalisation rate	The capitalisation rate applied to the market rental to assess a property's value. Derived from similar transactional evidence considering location, weighted average lease term, customer covenant, size and quality of the property. Used in the capitalisation method.	4.7%	5.4%	Decrease	Increase
Market rental	The valuer's assessment of the annual net market income per square metre ("psm") attributable to the property; includes both leased and vacant areas. Used in both the capitalisation method and the DCF method.	$139 psm	$137 psm	Increase	Decrease
Discount rate	The rate applied to future cashflows; it reflects transactional evidence from similar types of property assets. Used in the DCF method.	6.2%	7.1%	Decrease	Increase
Rental growth rate	The rate applied to the market rental over the 10-year cashflow projection. Used in the DCF method.	2.3% p.a.	2.2% p.a.	Increase	Decrease
Terminal capitalisation rate	The rate used to assess the terminal value of the property. Used in the DCF method.	4.8%	5.5%	Decrease	Increase

1. Investment property (continued)

1.4 Valuation of investment property (continued)

The market capitalisation rate is the main determinant of value in the valuation of investment property. The impact of a 0.25% increase in the market capitalisation rate from 4.7% to 4.95% would be equivalent to a decrease of $187.7 million / 5.0% in the fair value of investment property.

Land is valued based on recent comparable transactions, resulting in land values ranging between $232 psm and $1,150 psm for industrial land (2020: between $298 psm and $1,000 psm) and $1,150 psm for office land (2020: $1,000 psm).

Impact of COVID-19 global pandemic to the fair value assessment of investment property

COVID-19 was declared a 'Global Pandemic' by the World Health Organisation on 12 March 2020. Alert Level 4 restrictions were imposed across New Zealand from 26 March 2020, with market activity being impacted and the real estate market being effectively frozen until Alert Level 2 was reached on 14 May 2020.

At 31 March 2020, due to the Alert Level 4 restrictions in place at that time, the fair market value assessments of investment property prepared by independent valuers were reported on the basis of 'material valuation uncertainty', with less certainty and a higher degree of caution attached to the valuations than would normally be the case. The independent valuers considered the changes in the market and economic outlook created by COVID-19, which included valuers changing key assumptions in their valuation assessments including a reduction of market rental assumptions, consideration for rental abatements to support customers impacted by COVID-19, a decrease in rental growth rates and an increase in the market capitalisation rate applied. All of these items negatively impacted the 31 March 2020 fair market valuation which were assessed at a lower level than initial drafts prepared prior to the introduction of Alert Level 4 restrictions.

For the 30 September 2020 full valuations undertaken for GMT's interim reporting, the 'material valuation uncertainty' for fair market value assessments of investment property no longer applied and this continues to be the case as at 31 March 2021. Increased levels of certainty have returned to the investment market with improved confidence in the economic outlook. Real estate investor confidence has been boosted by the current low interest rate environment. Greater certainty also exists for the key valuation inputs that impact valuations as detailed on the preceding page.

The following table details the movement in fair value of investment property during the financial year split between the first half (six months to 30 September 2020) and the second half (1 October 2020 to 31 March 2021). Comparative information is included below the table for the FY20 year, which shows that the fair value increase for the financial year occurred in the first half, with a slight devaluation recorded in the second half which includes downward revisions for the impact of the COVID-19 pandemic.

		1H FY21 movements			2H FY21 movements		
$ million	**Fair value at 31 Mar 2020**	**Fair value movement**	**Other movements**	**Fair value at 30 Sep 2020**	**Fair value movement**	**Other movements**	**Fair value at 31 Mar 2021**
Stabilised properties	2,951.8	129.9	136.4	3,218.1	406.6	91.3	3,716.0
Investment property under development	122.2	10.3	(8.3)	124.2	13.2	(64.1)	73.3
Total investment property	**3,074.0**	**140.2**	**128.1**	**3,342.3**	**419.8**	**27.2**	**3,789.3**

		1H FY20 movements			2H FY20 movements		
$ million	Fair value at 31 Mar 2019	Fair value movement	Other movements	Fair value at 30 Sep 2019	Fair value movement	Other movements	Fair value at 31 Mar 2020
Stabilised properties	2,478.6	159.9	239.0	2,877.5	(11.8)	86.1	2,951.8
Investment property under development	154.8	12.5	(21.7)	145.6	5.2	(28.6)	122.2
Total investment property	**2,633.4**	**172.4**	**217.3**	**3,023.1**	**(6.6)**	**57.5**	**3,074.0**

Other movements comprise Acquisitions, Transfers In, Net Expenditure, Disposals, Transfers Out and the impact of NZ IFRS 16 adoption. See note 1.6 for an explanation of each item.

1. Investment property (continued)

1.5 Movement in fair value of investment property

Movement in fair value of investment property for the period is summarised below.

$ million	Note	2021	2020
Stabilised properties	1.6	536.5	148.1
Investment property under development	1.7	23.5	17.7
Total movement in fair value of investment property		**560.0**	**165.8**

1.6 Stabilised properties

2021	$ million: Valuation 2020	Right of use asset	Acquisitions / transfers in	Net expenditure	Disposals / transfers out	Fair value movement	Valuation 2021	Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years
Core												
Highbrook Business Park, East Tāmaki	1,527.6	–	71.3	6.6	–	311.5	1,917.0	CBRE, Colliers, JLL	469,584	4.5%	99%	6.3
Savill Link, Ōtāhuhu	361.9	–	17.1	0.2	–	77.8	457.0	Bayleys	134,960	4.6%	100%	5.8
M20 Business Park, Wiri	279.1	–	20.3	2.3	–	49.5	351.2	Colliers	112,372	4.8%	99%	4.2
The Gate Industry Park, Penrose	244.1	–	–	1.8	–	38.1	284.0	Colliers, JLL	85,439	5.0%	100%	2.9
Westney Industry Park, Māngere	193.9	2.3	17.1	0.2	–	8.3	221.8	Savills	114,161	6.0%	95%	4.6
Total core	**2,606.6**	**2.3**	**125.8**	**11.1**	**–**	**485.2**	**3,231.0**		**916,516**			
Value-add	345.2	–	84.1	4.4	–	51.3	485.0	CBRE, Colliers, JLL, Savills	181,182	5.1%	93%	2.6
Total stabilised properties	**2,951.8**	**2.3**	**209.9**	**15.5**	**–**	**536.5**	**3,716.0**		**1,097,698**	**4.7%**	**98%**	**5.5**

Right of use asset reflects a gross-up equivalent to lease liability modifications, with 2020 including the initial adoption impact.

Acquisitions reflect the purchase price and any associated transaction costs.

Transfers in represent the net book value transferred into a category during the year.

Net expenditure comprises capital expenditure, holding costs, straight line rental adjustments, leasing incentives and leasing costs paid, less any amortisation of leasing incentives and leasing costs.

Fair value movement reflects the difference between the independent valuation and the net book value immediately prior to the valuation.

Disposals comprise the net book value at the date of disposal for properties sold in the year.

Transfers out represent the net book value transferred out of a category during the year.

1. Investment property (continued)

1.6 Stabilised properties (continued)

2020	Valuation 2019 ($ million)	Right of use asset ($ million)	Acquisitions / transfers in ($ million)	Net expenditure ($ million)	Disposals / transfers out ($ million)	Fair value movement ($ million)	Valuation 2020 ($ million)	Valuer	Net lettable area sqm	Weighted market cap rate	Occupancy	WALT years
Core												
Highbrook Business Park, East Tāmaki	1,322.8	–	105.9	5.5	–	93.4	1,527.6	Colliers, Savill, CBRE	453,380	5.3%	99%	6.3
Savill Link, Ōtāhuhu	292.5	–	46.0	1.2	–	22.2	361.9	Bayleys	129,466	5.1%	100%	6.7
M20 Business Park, Wiri	247.2	–	–	0.5	–	31.4	279.1	JLL	108,391	5.6%	100%	4.9
The Gate Industry Park, Penrose	232.5	0.3	–	2.7	–	8.6	244.1	CBRE	85,439	5.4%	97%	2.9
Westney Industry Park, Māngere	122.7	63.0	4.2	0.6	–	3.4	193.9	Savills	105,763	7.1%	100%	5.7
Total core	**2,217.7**	**63.3**	**156.1**	**10.5**	**–**	**159.0**	**2,606.6**		**882,439**			
Value-add	260.9	–	105.4	2.3	(12.5)	(10.9)	345.2	Colliers, Savill, CBRE, JLL	176,824	5.5%	100%	2.9
Total stabilised properties	**2,478.6**	**63.3**	**261.5**	**12.8**	**(12.5)**	**148.1**	**2,951.8**		**1,059,263**	**5.4%**	**99%**	**5.5**

Accounting policies

Stabilised properties are investment properties which are held to earn rental income. They are recorded initially at cost, including related transaction costs. After initial recognition, stabilised properties are carried at fair value. A panel of expert independent valuers value the portfolio at least once each year, generally at 31 March. Fair values are based on estimated market values. If this information is not available, alternative valuation methods such as recent prices in less active markets, the capitalisation method, or discounted cash flow projections are used.

Stabilised property that is being redeveloped is carried at fair value and holding costs are capitalised to the property during redevelopment. Expenditure is capitalised to a property when it is probable that it will provide future economic benefits to the Group. All other repairs and maintenance costs are charged to Profit or Loss.

Any gain or loss arising from a change in fair value is recognised in Profit or Loss.

When sold, the net gain or loss on disposal of stabilised property is included in Profit or Loss in the period in which the sale occurred. The gain or loss on disposal is calculated as the difference between the carrying amount of the stabilised property on the Balance Sheet and the proceeds from sale net of any costs associated with the sale.

For leases where the Group is a lessee, the Group recognises a right of use asset at the commencement date of the lease, being the date the underlying asset is available for use. Investment property is defined to include both owned investment property and investment property held by a lessee as a right of use asset. The Group therefore measures all investment property using the same measurement basis, being the fair value model. The value of the right of use assets represents the fair value of a freehold interest in the land subject to ground lease interests held by GMT. Investment property is adjusted for cash flows relating to lease liabilities already recognised separately on the balance sheet and also reflected in the investment property valuations.

1. Investment property (continued)

1.7 Investment property under development

Investment property under development comprises land held for future development and developments under construction, held at either fair value or held at cost. In prior years these items were separately disclosed, with this disclosure now condensed to summarise by estate. There are no changes to reported balances as a result of this change.

	$ million					
2021	**Carrying value 2020**	**Acquisitions / Transfers in**	**Net expenditure**	**Fair value movement**	**Transfers out**	**Carrying value 2021**
Highbrook Business Park, East Tāmaki	89.2	–	27.7	11.8	(71.3)	57.4
M20 Business Park, Wiri	10.9	–	13.2	8.0	(20.3)	11.8
Savill Link, Ōtāhuhu	19.9	–	0.3	1.0	(17.1)	4.1
Westney Industry Park, Māngere	2.2	–	12.2	2.7	(17.1)	–
Total investment property under development	**122.2**	**–**	**53.4**	**23.5**	**(125.8)**	**73.3**

Included within investment property under development is $35.5 million of land held at fair value and $37.8 million of commenced developments held at the land transfer value plus subsequent capital expenditure. There are no developments under construction recorded at fair value.

	$ million					
2020	Carrying value 2019	Acquisitions / Transfers in	Net expenditure	Fair value movement	Transfers out	Carrying value 2020
Highbrook Business Park, East Tāmaki	113.7	–	73.3	8.1	(105.9)	89.2
Savill Link, Ōtāhuhu	33.4	0.9	24.6	7.0	(46.0)	19.9
M20 Business Park, Wiri	7.0	–	3.9	–	–	10.9
Westney Industry Park, Māngere	0.7	–	3.1	2.6	(4.2)	2.2
Total investment property under development	**154.8**	**0.9**	**104.9**	**17.7**	**(156.1)**	**122.2**

Included within investment property under development is $47.3 million of land held at fair value, $40.1 million of commenced developments held at the land transfer value plus subsequent capital expenditure and $34.8 million of developments under construction recorded at fair value.

Accounting policies

Investment property under development includes properties that are being constructed for future use as stabilised property and land to be developed as stabilised property in the future. On acquisition, investment property under development is recorded at cost, including related transaction costs. Stabilised property to be redeveloped is transferred at the carrying value prior to transfer. All subsequent costs and capital expenditure directly associated with investment property under development is capitalised.

Holding costs are capitalised if they are directly attributable to the development of a property. The most significant component of holding costs is borrowing costs. Capitalisation of borrowing costs commences when the activities to prepare the property for its intended use are in progress and expenditure and borrowing costs are being incurred. The amount capitalised is determined by applying the weighted average cost of debt to borrowings attributed to the investment property under development. Capitalisation of borrowing costs continues until the development of the property is completed.

If the fair value of a development can be reliably determined during the course of its construction, then the development will be recorded at fair value in the same manner as stabilised properties.

Land is carried at fair value, independently valued at least annually, with any changes in valuation recognised in Profit or Loss.

2. Borrowings

2.1 Interest

$ million	2021	2020
Interest expense on borrowings	(21.5)	(25.7)
Interest expense on lease liabilities	(3.2)	(3.1)
Amortisation of borrowing costs	(3.3)	(2.9)
Borrowing costs capitalised [1]	5.5	9.1
Total interest cost	**(22.5)**	**(22.6)**
Interest income	0.2	0.7
Net interest cost	**(22.3)**	**(21.9)**

[1] Borrowing costs are capitalised at the weighted average cost of borrowing of 3.7% (2020: 5.0%). Borrowing costs of $2.3 million were capitalised to land (2020: $3.7 million).

Accounting policies

Interest costs charged on borrowings are recognised as incurred. Costs associated with the establishment of borrowings are amortised over the term of the relevant borrowings.

2.2 Borrowings

$ million	2021	2020
Current		
Retail bonds	–	100.0
Total current borrowings	**–**	**100.0**
Non-current		
Syndicated bank facilities	61.0	25.0
Retail bonds	300.0	300.0
Wholesale bonds	200.0	–
US Private Placement notes	171.8	201.4
Total non-current	**732.8**	**526.4**
Unamortised borrowings establishment costs	(2.7)	(2.9)
Total non-current borrowings	**730.1**	**523.5**
Total borrowings	**730.1**	**623.5**

2. Borrowings (continued)

2.2 Borrowings (continued)

Accounting policies

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are carried at amortised cost using the effective interest method.

Significant transactions

In September 2020, GMT issued two tranches of wholesale bonds. The first tranche comprised $50.0 million of 8 year bonds maturing in September 2028, paying a fixed interest rate of 2.262%. The second tranche comprised $150.0 million of 10 year bonds maturing in September 2030, paying a fixed interest rate of 2.559%.

In November 2020, the syndicated bank facility was amended to extend the November 2021 maturity to November 2024 and alter the participation by bank. The total facility remained at $400.0 million, comprising three facilities expiring in November 2022 ($135.0 million), November 2023 ($130.0 million) and November 2024 ($135.0 million). The facility is provided by Commonwealth Bank of Australia ($115.0 million), Westpac New Zealand Limited ($115.0 million), Bank of New Zealand ($90.0 million) and The Hongkong and Shanghai Banking Corporation Limited ($80.0 million).

2.3 Composition of borrowings

					$ million	
2021	**Date issued**	**Expiry**	**Weighted average remaining term (years)**	**Interest rate**	**Facility drawn / Amount**	**Undrawn facility**
Syndicated bank facilities	–	Nov 22 – Nov 24	2.6	Floating	61.0	339.0
Retail bonds – GMB030	Jun 15	Jun 22	1.2	5.000%	100.0	–
Retail bonds – GMB040	May 17	May 24	3.2	4.540%	100.0	–
Retail bonds – GMB050	Mar 18	Sep 23	2.4	4.000%	100.0	–
Wholesale bonds – 8 years	Sep 20	Sep 28	7.4	2.262%	50.0	–
Wholesale bonds – 10 years	Sep 20	Sep 30	9.4	2.559%	150.0	–
US Private Placement notes	Jun 15	Jun 25	4.2	3.460%	US$40.0	–
US Private Placement notes	Jun 15	Jun 27	6.2	3.560%	US$40.0	–
US Private Placement notes	Jun 15	Jun 30	9.2	3.710%	US$40.0	–

					$ million	
2020	Date issued	Expiry	Weighted average remaining term (years)	Interest rate	Facility drawn / Amount	Undrawn facility
Syndicated bank facilities	–	Nov 21 – Nov 23	2.5	Floating	25.0	375.0
Retail bonds – GMB020	Dec 13	Dec 20	0.7	6.200%	100.0	–
Retail bonds – GMB030	Jun 15	Jun 22	2.2	5.000%	100.0	–
Retail bonds – GMB040	May 17	May 24	4.2	4.540%	100.0	–
Retail bonds – GMB050	Mar 18	Sep 23	3.4	4.000%	100.0	–
US Private Placement notes	Jun 15	Jun 25	5.2	3.460%	US$40.0	–
US Private Placement notes	Jun 15	Jun 27	7.2	3.560%	US$40.0	–
US Private Placement notes	Jun 15	Jun 30	10.2	3.710%	US$40.0	–

2. Borrowings (continued)

2.3 Composition of borrowings (continued)

As at 31 March 2021 $400.0 million of syndicated bank facilities was provided to the Trust by Commonwealth Bank of Australia ($115.0 million), Westpac New Zealand Limited ($115.0 million), Bank of New Zealand ($90.0 million) and The Hongkong and Shanghai Banking Corporation Limited ($80.0 million).

As at 31 March 2020 $400.0 million of syndicated bank facilities was provided to the Trust by Commonwealth Bank of Australia, Westpac New Zealand Limited (each providing $120.0 million), Bank of New Zealand and The Hongkong and Shanghai Banking Corporation Limited (each providing $80.0 million).

As at 31 March 2021, GMT's drawn borrowings had a weighted average remaining term of 5.2 years (2020: 4.0 years), with 92% being drawn from non-bank sources (2020: 96%). Calculation of the weighted average remaining term assumes bank debt utilises the longest dated facilities.

2.4 Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the wholly owned subsidiaries of Goodman Property Trust. A loan to value ratio covenant restricts total borrowings incurred by the Group to 50% of the value of the secured property portfolio.

The Group has given a negative pledge to not create or permit any security interest over its assets. The principal financial ratios which must be met are the ratio of earnings before interest, tax, depreciation and amortisation to interest expense, and the ratio of financial indebtedness to the value of the property portfolio. Further negative and positive undertakings have been given as to the nature of the Group's business.

2.5 Lease liabilities

$ million	2021	2020
Opening balance	63.3	61.7
Increase in liability as a result of ground rent reviews	2.3	1.6
Lease liability interest expense	3.2	3.1
Ground rent paid	(3.5)	(3.3)
Amortisation of incentives received	0.2	0.2
Total lease liabilities	**65.5**	**63.3**

Key judgement

The lease liabilities are for perpetually renewable ground leases at Westney Industry Park for $65.3 million (2020: $63.1 million) and The Gate Industry Park for $0.2 million (2020: $0.2 million). The calculation of the lease liabilities assumes lease terms of between 65 and 68 years and utilises discount rates based on an assessment of GMT's long-term borrowing costs at the time of the renewal, which range from 3.7% to 5.5%.

Accounting policies

At the commencement date of a lease the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, including expected lease renewals. The lease payments include fixed payments, less any lease incentives receivable.

2. Borrowings (continued)

2.6 Loan to value ratio calculation

The loan to value ratio ("LVR") is a non-GAAP metric used to measure the strength of GMT's Balance Sheet. This non-GAAP financial measure may not be consistent with its calculation by other similar entities. The LVR calculation is set out in the table below.

$ million	2021	2020
Total borrowings	730.1	623.5
US Private Placement notes – foreign exchange translation impact	(11.1)	(44.6)
Cash	(3.0)	(9.0)
Borrowings for LVR calculation	**716.0**	**569.9**
Investment property	3,789.3	3,074.0
Lease liabilities	(65.5)	(63.3)
Assets for LVR calculation	**3,723.8**	**3,010.7**
Loan to value ratio %	**19.2%**	**18.9%**

3. Earnings per unit and net tangible assets

3.1 Earnings per unit

Earnings per unit measures are calculated as profit or adjusted operating earnings after tax divided by the weighted number of issued units for the year. Operating earnings is a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. This non-GAAP financial measure may not be consistent with its calculation by other similar entities.

The calculation of operating earnings before other income / (expenses) and tax is set out in Profit or Loss.

$ million	2021	2020
Operating earnings before other income / (expenses) and tax	114.9	109.7
Income tax on operating earnings	(19.5)	(19.2)
Operating earnings after tax	**95.4**	**90.5**

	Weighted units	
Million	2021	2020
Weighted units	1,391.2	1,344.8

cents per unit	2021	2020
Operating earnings per unit before tax	8.26	8.16
Operating earnings per unit after tax	6.86	6.73
Basic and diluted earnings per unit after tax	45.41	19.48

3. Earnings per unit and net tangible assets (continued)

3.2 Net tangible assets

Diluted units, comprising issued units plus deferred units not yet issued, are used to calculate net tangible assets per unit.

	Diluted units	
Million	**2021**	2020
Issued units	1,391.2	1,385.8
Deferred units for Manager's performance fee expected to be reinvested	6.0	5.3
Diluted units	**1,397.2**	**1,391.1**

	2021	2020
Net tangible assets ($ million)	2,969.2	2,402.1
Net tangible assets per unit (cents)	212.5	172.7

4. Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks and foreign exchange risks arising from GMT's borrowings.

4.1 Movement in fair value of financial instruments

$ million	**2021**	2020
Interest rate derivatives	2.5	(5.6)
Cross currency interest rate derivatives relating to US Private Placement notes	(44.4)	50.7
Total movement in fair value of derivative financial instruments	**(41.9)**	**45.1**
Foreign exchange rate movement on US Private Placement notes	29.6	(25.1)
Total movement in fair value of financial instruments	**(12.3)**	**20.0**

Accounting policies

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each reporting date. Derivative financial instruments are classified as current or non-current based on their date of maturity.

Movements in the fair value of derivative financial instruments are recognised through Profit or Loss. GMT does not apply hedge accounting.

Key judgement

The fair values of derivative financial instruments are determined from valuations using Level 2 valuation techniques. These are based on the present value of estimated future cash flows, taking account of the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the creditworthiness of the derivative counterparty and GMT at balance date. The valuations were based on market rates at 31 March 2021 of between 0.35% for the 90-day BKBM and 1.96% for the 10-year swap rate (2020: 0.49% for the 90-day BKBM and 0.93% 10-year swap rate). There were no changes to these valuation techniques during the period.

4. Derivative financial instruments (continued)

4.2 Derivative financial instruments

$ million	2021	2020
Cross currency interest rate derivatives		
Non-current assets	20.0	64.4
Interest rate derivatives		
Non-current assets	10.3	10.7
Current assets	–	1.6
Non-current liabilities	(3.9)	(15.6)
Net derivative financial instruments	**26.4**	**61.1**

4.3 Additional derivative information

	2021	2020
Cross currency interest rate derivatives		
Notional contract value as fixed rate receiver ($ million)	160.7	156.8
Percentage of US Private Placement notes borrowings converted to floating rate NZD payments	100%	100%
Weighted average term to maturity (years)	6.5	7.5
Interest rate derivatives		
Notional contract value as fixed rate payer ($ million)	260.0	220.0
Interest rate range as fixed rate payer	0.4% – 2.7%	0.8% – 4.0%
Notional contract value as fixed rate receiver ($ million) [1]	150.0	200.0
Weighted average term to maturity of borrowings fixed, including retail and wholesale bonds (years)	5.8	4.2
Percentage of borrowings fixed, including retail and wholesale bonds	85%	72%

[1] The fixed rate receiver derivative expiries align with the retail bonds, to convert a portion of retail bonds back to floating rate interest.

5. Administrative expenses

Administrative expenses are incurred to manage the operational activity of GMT.

$ million	2021	2020
Valuation fees	(0.8)	(0.6)
Trustees fees	(0.4)	(0.4)
Auditor's fees	(0.3)	(0.3)
Other costs	(1.5)	(1.3)
Total administrative expenses	**(3.0)**	**(2.6)**

Auditor's fees

$ million	2021	2020
Audit and review of financial statements	(0.3)	(0.3)
Other assurance related services	–	–
Total auditor's fees	**(0.3)**	**(0.3)**

Other assurance related services

Fees for other assurance related services of $10,500 comprise assurance services on the performance fee calculation, agreed upon procedures on the financial covenants of the bank facilities and reporting to the supervisor of GMT Bond Issuer Limited (2020: $14,750 comprising assurance services on the performance fee calculation, agreed upon procedures on the financial covenants of the bank facilities, work performed for guidance on the application of materiality and reporting to the supervisor of GMT Bond Issuer Limited).

Other services

There were no other services provided during the year (2020: $2,200 for data analysis).

6. Debtors and other assets

$ million	2021	2020
Current		
Debtors	1.6	0.6
Prepayments	0.7	0.3
Interest receivable	1.6	2.4
Other assets	5.0	4.7
Total debtors and other assets	**8.9**	**8.0**

Accounting policies

Debtors and other assets are initially recognised at fair value and subsequently measured at amortised cost. They are adjusted for expected impairment losses. Discounting is not applied to receivables where collection is expected to occur within the next twelve months.

A provision for impairment is recognised when there is objective evidence that GMT will be unable to collect amounts due. The simplified approach to providing for expected credit losses prescribed by NZ IFRS 9 has been applied, permitting the use of a lifetime expected loss provision for all trade receivables. The amount provided is the difference between the carrying amount and expected recoverable amount.

7. Creditors and other liabilities

$ million	2021	2020
Current		
Creditors	0.7	1.6
Interest payable	4.6	6.3
Related party payables	0.4	1.0
Accrued capital expenditure	9.1	15.1
Other liabilities	10.6	5.6
Total creditors and other liabilities	**25.4**	**29.6**

Accounting policies

Creditors and other liabilities are initially recognised at fair value and subsequently measured at amortised cost. All payments are expected to be made within the next twelve months.

8. Tax

8.1 Tax expense

$ million	2021	2020
Profit before tax	648.9	284.4
Tax at 28%	(181.7)	(79.6)
Depreciation of investment property	9.2	5.9
Movement in fair value of investment property	156.8	46.4
Disposal of investment property	–	0.1
Deductible net expenditure for investment property	2.2	5.5
Derivative financial instruments	(3.2)	5.6
Performance fee	(3.8)	(3.2)
Other	1.0	0.1
Current tax on operating earnings	**(19.5)**	**(19.2)**
Settlement of derivative financial instruments	2.0	0.9
Performance fee	3.8	3.2
Current tax on non-operating earnings	**5.8**	**4.1**
Current tax	**(13.7)**	**(15.1)**
Depreciation of investment property	(9.2)	(5.9)
Reduction of liability in respect of depreciation recovery income	5.8	6.0
Deferred expenses	(0.4)	(1.1)
Derivative financial instruments	0.3	(6.5)
Borrowing issue costs	–	0.1
Deferred tax	**(3.5)**	**(7.4)**
Total tax	**(17.2)**	**(22.5)**

Current tax on operating earnings is a non-GAAP measure included to provide an assessment of current tax for GMT's principal operating activities. This non-GAAP financial measure may not be consistent with its calculation by other similar entities.

8. Tax (continued)

Accounting policies

Tax expense for the year comprises current and deferred tax recognised in Profit or Loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not accounted for if it arises from the initial recognition of assets or liabilities in a transaction, other than a business combination, that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

8.2 Deferred tax

$ million	2021	2020
Deferred tax liabilities		
Investment properties – depreciation recoverable	(21.5)	(18.1)
Investment properties – deferred expenses	(9.4)	(9.0)
Derivative financial instruments	(4.3)	(4.6)
Borrowings issue costs	(0.2)	(0.2)
Total deferred tax liabilities	**(35.4)**	**(31.9)**

Key judgement

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For deferred tax liabilities potentially arising on investment property measured at fair value there is a rebuttable presumption that the carrying amount of the investment property asset will be recovered through sale. In estimating this deferred tax liability, the Group has made reference to the Manager's experience of tax depreciation recovered when properties of a similar nature have been sold.

9. Related party disclosures

As a Unit Trust, GMT does not have any employees. Consequently, services that the Group requires are provided under arrangements governed by GMT's Trust Deed or by contractual arrangements. The Trust has related party relationships with the following parties.

Entity		Nature of relationship
Goodman (NZ) Limited	GNZ	Manager of the Trust
Goodman Property Services (NZ) Limited	GPSNZ	Provider of property management, development management and related services to the Trust
Goodman Investment Holdings (NZ) Limited	GIH	Unitholder in GMT
Goodman Limited	GL	Parent entity of GNZ, GPSNZ & GIH
Goodman Industrial Trust	GIT	Property co-owner with GMT

9.1 Transactions with related parties

		Recorded		Capitalised		Outstanding	
$ million	**Related party**	**2021**	2020	**2021**	2020	**2021**	2020
Manager's base fee	GNZ	(13.4)	(11.9)	0.6	0.8	(1.3)	(1.0)
Manager's performance fee	GNZ	(13.7)	(11.4)	–	–	(13.7)	(11.4)
Property management fees [1]	GPSNZ	(3.3)	(3.1)	–	–	(0.2)	(0.3)
Leasing fees	GPSNZ	(1.2)	(1.7)	–	–	(0.1)	(0.7)
Acquisition and disposal fees	GPSNZ	(0.8)	(1.5)	0.8	1.0	–	–
Minor project fees	GPSNZ	(0.2)	(0.6)	0.2	0.6	–	–
Development management fees	GPSNZ	(2.7)	(5.7)	2.7	5.7	–	–
Total fees		**(35.3)**	**(35.9)**	**4.3**	**8.1**	**(15.3)**	**(13.4)**
Reimbursement of expenses for services provided	GPSNZ	(1.6)	(1.3)	0.3	0.3	(0.1)	–
Total reimbursements		**(1.6)**	**(1.3)**	**0.3**	**0.3**	**(0.1)**	**–**
Land acquisition – Savill Link	GIT	–	(0.9)	–	0.9	–	–
Total capital transactions		**–**	**(0.9)**	**–**	**0.9**	**–**	**–**
Issue of units for Manager's base fee reinvested	GIH	–	5.3	–	–	–	–
Issue of units for Manager's performance fee reinvested	GIH	11.4	8.6	–	–	–	–
Total issue of units for Manager's base fee and performance fee reinvested		**11.4**	**13.9**	**–**	**–**	**–**	**–**
Distributions paid	GIH	(16.7)	(19.2)	–	–	–	–
Total distributions paid		**(16.7)**	**(19.2)**	**–**	**–**	**–**	**–**

[1] Of the property management fees charged by GPSNZ, $2.6 million was paid by customers and was not a cost borne by GMT (2020: $2.5 million).

9. Related party disclosures (continued)

9.2 Other related party transactions

Capital transactions

Capital transactions that occur with related parties can only be approved by the independent directors of GNZ, with non-independent directors excluded from the approval process.

No properties were acquired pursuant to the Co-ownership Agreement between GMT and Goodman Industrial Trust (2020: none). This agreement was approved by unitholders at a general meeting held on 23 March 2004.

During the year ended 31 March 2020, GMT purchased land at Savill Link for $0.9 million that was co-owned via the Co-ownership Agreement between GMT and Goodman Industrial Trust.

Key management personnel

Key management personnel are those people with the responsibility and authority for planning, directing and controlling the activities of an entity. As the Trust does not have any employees or Directors, key management personnel is considered to be the Manager. All compensation paid to the Manager is disclosed within this note.

Related party investment in GMT

At 31 March 2021, Goodman Group, GNZ's ultimate parent, through its subsidiary Goodman Investment Holdings (NZ) Limited, held 297,975,387 units in GMT out of a total 1,391,227,995 units on issue (31 March 2020: 296,560,508 units out of a total 1,385,791,305 units).

9.3 Explanation of related party transactions

Manager's base fee

The Manager's base fee is calculated as 0.50% per annum of the book value of GMT's assets (other than cash, debtors and development land) up to $500 million, plus 0.40% per annum of the book value of GMT's assets (other than cash, debtors and development land) greater than $500 million.

For the five years starting 1 April 2014, the Manager agreed to use its base management fee to reinvest in GMT units in accordance with terms approved by Unitholders on 5 August 2014. This agreement expired on 31 March 2019, with the base management fee reverting to a cash settlement.

Manager's performance fee

The Manager is entitled to be paid a performance fee equal to 10% of GMT's performance above a target return (which is calculated annually on 31 March) and is capped at 5% of annual out performance (except in a period in which GNZ ceases to hold office, or GMT terminates). The target return is equal to the annual return of a gross accumulation index created from NZX listed property entities having a principal focus on investment in real property, excluding GMT, with the index being compiled by a suitably qualified and experienced person.

Any performance below the target return is carried forward indefinitely to future periods. GMT will not earn a performance fee on any performance in excess of the target return plus 5% per annum. Any performance over that cap will be carried forward indefinitely to future periods (except in a period in which GNZ ceases to hold office, or GMT terminates). No performance fee is payable for any year where GMT's performance is less than 0%, however, any under or over performance is carried forward indefinitely to future periods.

The Manager is required to use performance fee proceeds to reinvest in GMT units in accordance with the terms of the Trust Deed, provided that the Independent Directors of GNZ consider it in the best interests of GMT unitholders for the Manager to do so. The issue price for these units is equal to the higher of market price and the net asset value per unit.

At 31 March 2021, a performance fee of $13.7 million is payable (2020: $11.4 million), with no carry forward to include in the calculation for future periods (2020: $89.5 million carry forward).

Property management fees

Property management fees are paid to GPSNZ for day to day management of properties.

Leasing fees

Leasing fees are paid to GPSNZ for executing leasing transactions.

9. Related party disclosures (continued)

9.3 Explanation of related party transactions (continued)

Acquisition and disposal fees

Acquisition and disposal fees are paid to GPSNZ for executing sale and purchase agreements.

Minor project fees

Minor project fees are paid for services provided to manage capital expenditure projects for stabilised properties.

Development management fees

Development management fees are paid for services provided to manage capital expenditure projects for developments.

Reimbursement of expenses for services provided

Certain services are provided by GPSNZ instead of using external providers, with these amounts reimbursed on a cost recovery basis.

9.4 Additional Trust information

(a) Termination of Goodman Property Trust

GMT terminates on the earlier of:

i. The date appointed by GNZ, giving not less than three months' written notice to the unitholders and the Trustee; or

ii. If the units are quoted, the office of trustee becomes vacant, and a new trustee is not appointed within two months of the vacancy occurring; or

iii. The date on which GMT is terminated under the Trust Deed or by operation of law.

9.5 Related party capital commitments

$ million	Related party	2021	2020
Development management fees for developments in progress	GPSNZ	5.2	2.1
Total related party capital commitments		**5.2**	**2.1**

10. Commitments and contingencies

10.1 Non-related party capital commitments

These commitments are amounts payable for contractually agreed services for capital expenditure. For related party capital commitments refer to note 9.5.

$ million	2021	2020
Completion of developments	84.9	48.1
Acquisitions	–	12.4
Total non-related party capital commitments	**84.9**	**60.5**

10.2 Contingent liabilities

GMT has no material contingent liabilities (2020: none).

11. Reconciliation of profit after tax to net cash flows from operating activities

$ million	2021	2020
Profit after tax	631.7	261.9
Non-cash items:		
Movement in fair value of investment property	(560.0)	(165.8)
Disposal of investment property	–	(0.3)
Deferred lease incentives and leasing costs	0.8	(4.9)
Fixed rental income adjustments	(1.7)	(1.7)
Issue costs and subsequent amortisation for non-bank borrowings	0.2	0.4
Movement in fair value of derivative financial instruments	12.3	(20.0)
Manager's base fee reinvested in units	–	(5.3)
Manager's performance fee expected to be reinvested in units	2.3	2.8
Deferred tax	3.5	7.4
Net cash flows from operating activities before changes in assets and liabilities	**89.1**	**74.5**
Movements in working capital from:		
Debtors and other assets	(0.6)	0.6
Creditors and other liabilities	1.7	1.2
Current tax payable	(0.4)	(0.7)
Movements in working capital	**0.7**	**1.1**
Net cash flows from operating activities	**89.8**	**75.6**

12. Financial risk management

In addition to business risk associated with the Group's principal activity of investing in real estate in New Zealand, the Group is also exposed to financial risk for the financial instruments that it holds. Financial risk can be classified in the following categories; interest rate risk, credit risk, liquidity risk and capital management risk.

12.1 Financial instruments

The following items in the Balance Sheet are classified as financial instruments: Cash, debtors and other assets, derivative financial instruments, creditors and other liabilities, lease liabilities and borrowings. All items are recorded at amortised cost with the exception of derivative financial instruments, which are recorded at fair value through Profit or Loss.

Accounting policies

Financial instruments are classified dependent on the purpose for which the financial instrument was acquired or assumed. Management determines the classification of its financial instruments at initial recognition between two categories:

Amortised cost — Instruments recorded at amortised cost are those with fixed or determined receipts / payments that are recorded at their expected value at balance date.

Fair value through Profit or Loss — Instruments recorded at fair value through Profit or Loss have their fair value measured via active market inputs, or by using valuation techniques if no active market exists.

12.2 Interest rate risk

The Group's interest rate risk arises from borrowings. The Group manages its interest rate risk in accordance with its Financial Risk Management policy. The principal objective of the Group's interest rate risk management process is to mitigate negative interest rate volatility adversely affecting financial performance.

The Group manages its interest rate risk by using floating-to-fixed interest rate swaps and interest rate caps. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed directly at fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. Where the Group raises long-term borrowings at fixed rates, it may enter into fixed-to-floating interest rate swaps to enable the cash flow interest rate risk to be managed in conjunction with its floating rate borrowings.

The table below considers the direct impact to interest costs of a 25 basis point change to interest rates.

$ million	2021	2020
Impact to net profit after tax of a 25 basis point increase in interest rates	(0.3)	(0.4)
Impact to net profit after tax of a 25 basis point decrease in interest rates	0.3	0.4

12.3 Credit risk

Credit risk arises from cash, derivative financial instruments and credit exposures to customers. For banks and financial institutions only independently credit rated parties are accepted, and when derivative contracts are entered into their credit risk is assessed. For customers the Group assesses the credit quality of the customer, considering its financial position, past experience and any other relevant factors. The overall credit risk is managed with a credit policy that monitors exposures and ensures that the Group does not bear unacceptable concentrations of credit risk.

The Group's maximum exposure to credit risk is best represented by the total of its debtors, derivative financial instrument assets and cash as shown in the Balance Sheet. To mitigate credit risk the Group holds security deposits, bank guarantees, parent company guarantees or personal guarantees as deemed appropriate.

12. Financial risk management (continued)

12.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. The Group's approach to management of liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk through active monitoring of the Group's liquidity position and availability of borrowings from committed facilities.

The following table outlines the Group's financial liabilities by their relevant contractual maturity date. Values are the contractual undiscounted cash flows and include both principal and interest where applicable.

$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and later	Total cash flows	Carrying value
2021								
Borrowings	22.4	179.1	114.3	108.8	63.8	331.5	819.9	721.7
Derivative financial instruments	2.1	2.1	2.1	2.0	1.5	2.1	11.9	3.9
Lease liabilities	3.4	3.4	3.4	3.1	1.8	1.8	16.9	65.5
Creditors and other liabilities	25.4	–	–	–	–	–	25.4	25.4
Total	**53.3**	**184.6**	**119.8**	**113.9**	**67.1**	**335.4**	**874.1**	**816.5**
2020								
Borrowings	122.8	43.3	114.2	110.8	105.3	168.6	665.0	581.8
Derivative financial instruments	2.6	2.5	2.5	2.0	1.9	2.4	13.9	15.6
Lease liabilities	3.4	3.4	3.4	3.4	3.0	3.5	20.1	63.3
Creditors and other liabilities	29.6	–	–	–	–	–	29.6	29.6
Total	**158.4**	**49.2**	**120.1**	**116.2**	**110.2**	**174.5**	**728.6**	**690.3**

12.5 Capital management risk

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence, while maximising the return to investors through optimising the mix of debt and equity. The Group meets its objectives for managing capital through its investment decisions on the acquisition, development and disposal of assets, its distribution policy and raising new equity. The Group's policies in respect of capital management are reviewed regularly by the Board of Directors of the Manager.

The Group's capital structure includes bank debt, retail bonds, wholesale bonds, US Private Placement notes and unitholders' equity. GMT's Trust Deed requires the Group's ratio of borrowings to the aggregate value of its property assets to be less than 50%. The Group complied with this requirement during this year and the prior year.

The Group has issued retail bonds, wholesale bonds and US Private Placement notes, the terms of which require that the total borrowings of GMT and its subsidiaries do not exceed 50% of the value of the property portfolio on which these borrowings are secured. The Group complied with this requirement during this year and the prior year.

12. Financial risk management (continued)

12.6 Fair value of financial instruments

Except for the retail bonds, wholesale bonds and US Private Placement notes; the carrying values of all balance sheet financial instruments approximate their estimated fair value. The fair values of retail bonds, wholesale bonds and US Private Placement notes are as follows:

$ million	Fair value hierarchy	2021	2020
Retail bonds	Level 1	320.1	414.9
Wholesale bonds	Level 2	179.8	–
US Private Placement notes	Level 2	US$120.5	US$127.9

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of financial instruments classified as Level 2, being wholesale bonds and US Private Placement notes, is measured using a present value calculation of the future cashflows using the relevant term swap rate as the discount factor.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer.

13. Operating segments

The Trust's activities are reported to the Board as a single operating segment; therefore, these financial statements are presented in a consistent manner to that reporting.

Independent auditor's report

To the unitholders of Goodman Property Trust

Our opinion

In our opinion, the accompanying financial statements of Goodman Property Trust (the Trust), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2021, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's financial statements comprise:

- the balance sheet as at 31 March 2021;
- the statement of profit or loss for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the general information and notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of assurance services relating to the performance fee calculation, agreed upon procedures relating to the financial covenants of the bank facilities and reporting to the supervisor of GMT Bond Issuer Limited. The provision of these other services has not impaired our independence as auditor of the Group.

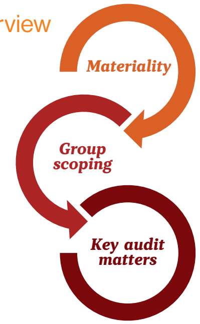
Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Description of the key audit matter	How our audit addressed the key audit matter
Valuation of investment property As disclosed in note 1, the portfolio of investment properties comprising Auckland industrial stabilised properties and investment property under development held by the Group was valued at $3.8 billion as at 31 March 2021. The valuation of investment properties is inherently subjective. A small difference in any one of the key market input assumptions, when aggregated, could result in a material misstatement of the valuation of investment properties. The valuations were carried out by independent registered valuers selected by the Group. The valuers performed their work in accordance with the International Valuation Standards and the Australia and New Zealand Valuation and Property Standards. The valuers used are well-known firms, with experience in the market in which the Group operates. In determining a property's valuation, the valuers consider property specific information such as current tenancy agreements and rental income earned by the asset. They then apply assumptions in relation to market capitalisation rates, market rental and rental growth rates, based on available market data and transactions, to arrive at a range of valuation outcomes, from which they derive a point estimate. Due to the unique nature of each property, the assumptions applied take into consideration the individual property characteristics, as well as the qualities of the property as a whole. As at 31 March 2021, the 'material valuation uncertainty' that was present in the valuations as at 31 March 2020 due to COVID-19 no longer applies, and the valuations are no longer reported on that basis. Management verifies all key inputs to the valuations, assesses property valuation movements against prior year and holds discussions with the directors of the Manager on the process and results of the valuation.	The valuation of investment properties is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values. We considered the adequacy of the disclosures made in note 1 to the financial statements. This note explains that there is significant estimation uncertainty in relation to the valuation of investment property. We discussed with management and obtained sufficient appropriate audit evidence to demonstrate that management's assessment of the suitability of the inclusion of the valuation in the balance sheet and disclosures made in the financial statements was appropriate. In assessing the individual valuations, we performed the procedures outlined below. We held discussions with management and the valuers to understand: ▪ movements in the Group's investment property portfolio, ▪ changes in the conditions of properties within the portfolio, ▪ the controls in place over the valuation process, and ▪ the impact that COVID-19 has had on the Group's investment property portfolio, including any tenant rent abatements. On a sample basis, with emphasis on properties with significant or unusual fluctuations in key inputs compared to other investment properties held by the Group, we performed the following procedures: ▪ obtained an understanding of the key inputs in the valuation ▪ agreed forecast contractual rental and lease terms to lease agreements with tenants ▪ considered whether seismic assessments and/or capital maintenance requirements had been taken into account in the valuations, with reference to supporting documentation. We held separate discussions with each of the independent registered valuers to gain an understanding of the assumptions and estimates used and the valuation methodology applied. We also engaged our own valuation experts to critique and independently assess, based on their market and valuation knowledge, the work performed, and assumptions and estimates made by the valuers, on a sample basis. We found no evidence of bias in determining the values.

Our audit approach

Overview



Overall group materiality: $5,070,000, which represents approximately 5% of profit before tax excluding movements in the fair value of investment property and financial instruments. We chose profit before tax excluding movements in the fair value of investment property and financial instruments as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

Following our assessment of the risk of material misstatement, a full scope audit was performed over the consolidated Group balances.

As reported above, we have one key audit matter, being:

- Valuation of investment property

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The directors of the Manager are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Manager for the financial statements

The directors of the Manager are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit.

The auditor also:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we report to

This report is made solely to the Trust's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
12 May 2021

Auckland

GMT Bond Issuer Limited Financial Statements

For the year ended 31 March 2021

The Board of GMT Bond Issuer Limited, authorised these financial statements for issue on 12 May 2021. For and on behalf of the Board:

Keith Smith
Chair

Laurissa Cooney
Chair, Audit Committee

Contents

El Kobar Unit, Highbrook Business Park
The multi-unit warehouse development overlooking Highbrook Drive is passed by approximately 30,000 vehicles every day.

Profit or loss

For the year ended 31 March 2021

$ million	2021	2020
Interest income	20.8	19.7
Interest cost	(20.8)	(19.7)
Profit before tax	**–**	**–**
Tax	–	–
Profit after tax attributable to shareholder	**–**	**–**

There are no items of other comprehensive income, therefore profit after tax attributable to shareholder equals total comprehensive income attributable to shareholder.

Balance sheet

As at 31 March 2021

$ million	Note	2021	2020
Non-current assets			
Advances to related parties	2	500.0	300.0
Current assets			
Advances to related parties	2	–	100.0
Interest receivable from related parties		3.5	5.0
Cash		0.1	0.2
Total assets		**503.6**	**405.2**
Non-current liabilities			
Borrowings	1	500.0	300.0
Current liabilities			
Borrowings	1	–	100.0
Interest payable		3.6	5.2
Total liabilities		**503.6**	**405.2**
Net assets		**–**	**–**
Equity			
Contributed equity	7	–	–
Retained earnings		–	–
Total equity		**–**	**–**

Cash flows

For the year ended 31 March 2021

$ million	Note	2021	2020
Cash flows from operating activities			
Interest income received		22.3	19.7
Interest costs paid		(22.4)	(19.7)
Net cash flows from operating activities	5	**(0.1)**	**–**
Cash flows from investing activities			
Repayment of related party advances		100.0	–
Related party advances made		(200.0)	–
Net cash flows from investing activities		**(100.0)**	**–**
Cash flows from financing activities			
Proceeds received from issue of wholesale bonds		200.0	–
Repayment of retail bonds		(100.0)	–
Net cash flows from financing activities		**100.0**	**–**
Net movement in cash		**(0.1)**	**–**
Cash at the beginning of the year		0.2	0.2
Cash at the end of the year		**0.1**	**0.2**

Changes in equity

For the year ended 31 March 2021

$ million	Contributed equity	Retained earnings	Total
As at 1 April 2019	–	–	–
Profit after tax	–	–	–
As at 31 March 2020	**–**	**–**	**–**
Profit after tax	–	–	–
As at 31 March 2021	**–**	**–**	**–**

There are no items of other comprehensive income to include within changes in equity, therefore profit after tax equals total comprehensive income.

General information

For the year ended 31 March 2021

Reporting entity

GMT Bond Issuer Limited ("the Company") was incorporated on 5 November 2009. The address of its registered office is Level 2, 18 Viaduct Harbour Avenue, Auckland. GMT Bond Issuer Limited is an issuer for the purposes of the Financial Reporting Act 2013 as its issued retail bonds are listed on the New Zealand Debt Exchange ("NZDX"). GMT Bond Issuer Limited is a registered company under the Companies Act 1993.

GMT Bond Issuer Limited is a profit-oriented company incorporated and domiciled in New Zealand. The Company was incorporated to undertake issues of debt securities with the purpose of on lending the proceeds to Goodman Property Trust ("GMT") by way of interest bearing advances.

Basis of preparation and measurement

The principal accounting policies applied in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

The financial statements of the Company have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The Company is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis.

The financial statements are in New Zealand dollars, the Company's functional currency.

Significant estimates and judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in the future periods affected.

Significant accounting policies

Interest income

Interest income from advances to related parties is recognised using the effective interest method.

Interest cost

Interest expense charged on borrowings is recognised as incurred using the effective interest method.

Advances to related parties

Advances to related parties are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method.

Interest receivable from related parties

These amounts represent the fair value of interest income recognised but not yet due for payment. Due to the short term nature of the receivables the recoverable value represents the fair value.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are carried at amortised cost using the effective interest method.

Interest payable

Interest payable represents interest costs recognised as an expense but not yet due for payment.

Financial risk management

Financial instruments are classified dependent on the purpose for which the financial instrument was acquired or assumed. Management determines the classification of its financial instruments at initial recognition between two categories:

Amortised cost	Instruments recorded at amortised cost are those with fixed or determined receipts / payments that are recorded at their expected value at balance date.
Fair value through Profit or Loss	Instruments recorded at fair value through Profit or Loss have their fair value measured via active market inputs, or by using valuation techniques if no active market exists.

Changes in accounting policy

There have been no changes in accounting policies made during the financial year.

New accounting standards now adopted

There have been no new accounting standards that are applicable to these financial statements.

1. Borrowings

1.1 Composition of borrowings

	Carried at	Date issued	Maturity	Interest rate	2021 $ million	2020 $ million
Retail bonds – GMB020	Amortised cost	Dec 13	Dec 20	6.200%	–	100.0
Retail bonds – GMB030	Amortised cost	Jun 15	Jun 22	5.000%	100.0	100.0
Retail bonds – GMB040	Amortised cost	May 17	May 24	4.540%	100.0	100.0
Retail bonds – GMB050	Amortised cost	Mar 18	Sep 23	4.000%	100.0	100.0
Wholesale bonds – 8 years	Amortised cost	Sep 20	Sep 28	2.262%	50.0	–
Wholesale bonds – 10 years	Amortised cost	Sep 20	Sep 30	2.559%	150.0	–
Total					**500.0**	**400.0**

1.2 Security and covenants

All borrowing facilities are secured on an equal ranking basis over the assets of the wholly-owned subsidiaries of the Company's parent entity, Goodman Property Trust. A loan to value covenant restricts total borrowings incurred by the Goodman Property Trust Group to 50% of the value of the secured property portfolio.

The Goodman Property Trust Group has given a negative pledge which provides that it will not create or permit any security interest over its assets. The principal financial ratio which must be met is the ratio of financial indebtedness to the value of the property portfolio. Further negative and positive undertakings have been given as to the nature of the Goodman Property Trust Group's business.

Significant transactions

In September 2020, the company issued two tranches of wholesale bonds. The first tranche comprised $50.0 million of 8-year bond maturing in September 2028, paying a fixed interest rate of 2.262%. The second tranche comprised $150.0 million of 10-year bond maturing in September 2030, paying a fixed interest rate of 2.559%.

2. Advances to related parties

GMT Bond Issuer Limited is a wholly-owned subsidiary of Goodman Property Trust. All members of the Goodman Property Trust Group are considered to be related parties of the Company.

2.1 Composition of advances to related parties

	Carried at	Date issued	Maturity	Interest rate	2021 $ million	2020 $ million
Advance made to Goodman Property Trust in December 2013	Amortised cost	Dec 13	Dec 20	6.200%	–	100.0
Advance made to Goodman Property Trust in June 2015	Amortised cost	Jun 15	Jun 22	5.000%	100.0	100.0
Advance made to Goodman Property Trust in May 2017	Amortised cost	May 17	May 24	4.540%	100.0	100.0
Advance made to Goodman Property Trust in March 2018	Amortised cost	Mar 18	Sep 23	4.000%	100.0	100.0
Advance made to Goodman Property Trust in September 2020	Amortised cost	Sep 20	Sep 28	2.262%	50.0	–
Advance made to Goodman Property Trust in September 2020	Amortised cost	Sep 20	Sep 30	2.559%	150.0	–
Total					**500.0**	**400.0**

2. Advances to related parties (continued)

2.2 Guarantee

Covenant Trustee Services Limited (as Trustee for Goodman Property Trust) has entered into a guarantee under which Goodman Property Trust unconditionally and irrevocably guarantees all of the obligations of GMT Bond Issuer Limited under its Bond Trust Documents.

3. Administrative expenses

Goodman Property Trust, the Company's parent, paid all fees for audit services provided to the Company (2021: $12,500, 2020: $8,000) and audit related services of reporting to the Supervisor (2021: $2,000, 2020: $2,000).

4. Commitments and contingencies

4.1 Capital commitments payable

GMT Bond Issuer Limited has no capital commitments.

4.2 Contingent liabilities

GMT Bond Issuer Limited has no material contingent liabilities.

5. Reconciliation of profit after tax to net cash flows from operating activities

$ million	2021	2020
Profit after tax	–	–
Movements in working capital from:		
Interest receivable from related parties	1.5	–
Interest payable	(1.6)	–
Movements working capital	**(0.1)**	**–**
Net cash flows from operating activities	**(0.1)**	**–**

6. Financial risk management

The Company is exposed to financial risk for the financial instruments that it holds. Financial risk can be classified in the following categories; interest rate risk, credit risk, liquidity risk and capital management risk.

The Board has delegated to the Goodman (NZ) Limited Audit Committee the responsibility to review the effectiveness and efficiency of management processes, risk management and internal financial controls and systems as part of their duties.

6. Financial risk management (continued)

6.1 Financial instruments

The following items in the Balance Sheet are classified as financial instruments: Advances to related parties, cash, interest receivable from related parties, borrowings and interest payable. All items are recorded at amortised cost.

6.2 Interest rate risk

Interest rate risk is the risk that the value or future value of cash flows of a financial instrument will fluctuate because of changes in interest rates. The Board is responsible for the management of the interest rate risk arising from the external borrowings.

To mitigate interest rate risk all advances to related parties have fixed interest rates receivable that match the fixed interest rates payable on borrowings.

6.3 Credit risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitment in full and on time, or from losses arising from the change in value of a trading financial instrument as a result of changes in credit risk of that instrument.

The Company's exposure to credit risk is limited to cash and deposits held with banks and credit exposure for the advances to related parties.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates. All financial assets are with Goodman Property Trust. Goodman Property Trust has been assigned a rating of BBB with a stable outlook by S&P Global Ratings.

6.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's approach to management of liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table outlines the Company's financial liabilities by their relevant contractual maturity date. Values are the contractual undiscounted cash flows and include both principal and interest where applicable.

$ million	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 and later	Total cash flows	Carrying value
2021								
Cash	0.1	–	–	–	–	–	0.1	0.1
Financial assets – Advances to related parties	18.4	114.7	111.2	105.7	5.0	219.8	574.8	503.5
Financial liabilities – Borrowings	(18.5)	(114.7)	(111.2)	(105.7)	(5.0)	(219.8)	(574.9)	(503.6)
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2020								
Cash	0.2	–	–	–	–	–	0.2	0.2
Financial assets – Advances to related parties	117.7	13.5	109.7	106.2	100.8	–	447.9	405.0
Financial liabilities – Borrowings	(117.9)	(13.5)	(109.7)	(106.2)	(100.8)	–	(448.1)	(405.2)
Total	–	–	–	–	–	–	–	–

6. Financial risk management (continued)

6.5 Capital management risk

The Company's policy is to match the value, term and maturity of external borrowings to the value, term and maturity of advances made to related parties. This minimises capital management risk for the Company.

6.6 Fair value of financial instruments

The fair value of financial instruments has been estimated as follows:

$ million	Fair value hierarchy	2021	2020
Related party receivables	Level 2	499.9	414.9
Retail bonds	Level 1	(320.1)	(414.9)
Wholesale bonds	Level 2	(179.8)	–

For instruments where there is no active market, the Company may use internally developed models which are usually based on valuation methods and techniques generally recognised as standard within the industry. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

— Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

— Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of wholesale bonds, classified as Level 2, is measured using a present value calculation of the future cashflows using the relevant term swap rate as the discount factor. The fair value of related party receivables, classified as Level 2, is measured using the quoted prices of the retail bonds liability and the fair value of the wholesale bonds.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest input to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, the measurement is a Level 3 measurement.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

7. Equity

As at 31 March 2021, 100 ordinary shares had been issued for nil consideration (2020: 100 ordinary shares for nil consideration). All shares rank equally with one vote attached to each share.

The Company has tangible assets of $0.1 million, and its net assets are nil. Consequently, the net tangible assets per bond at 31 March 2021 are nil (2020: nil).

Independent auditor's report

To the shareholder of GMT Bond Issuer Limited

Our opinion

In our opinion, the accompanying financial statements of GMT Bond Issuer Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 31 March 2021, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The financial statements comprise:

- the balance sheet as at 31 March 2021;
- the statement of profit or loss for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the general information and notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Company in the area of reporting to the supervisor. The provision of these other services has not impaired our independence as auditor of the Company.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. The entity obtains funds from the issue of debt securities and then lends the proceeds to Goodman Property Trust at the same cost. Given the nature of the Company's operations, we determined that there were no key audit matters to communicate in our report.

Our audit approach

Overview

Overall Company materiality: $208,000, which represents approximately 1% of interest expense.

We chose interest expense as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark.

As noted earlier, we have not identified any key audit matters from our audit given the nature of the entity. Refer to the Key audit matters section of our report.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit.

The auditor also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concludes on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we report to

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
12 May 2021

Auckland


QUEST
Schneider Electric

Other information

Contents

The Crossing, Highbrook Business Park
Neighbouring the Tāmaki River the estate features parkland and esplanade reserves in an award wining landscape masterplan.

Corporate governance

Introduction

Corporate governance is the system by which organisations are directed and managed. It influences how an organisation's objectives are achieved, how its risks are monitored and assessed, and how its performance is optimised.

The Board has adopted an overall corporate governance framework that is designed to meet best practice standards and recognises that an effective corporate governance culture is critical to success.

At all times, the Board strives to achieve governance outcomes which effectively balance the needs of GMT and GMT Bond Issuer Limited investors, regulators and the wider market.

The governance section of the Goodman Property Trust website contains all the relevant policies, charters and other documents described in this report.

GMT and GMT Bond Issuer Limited

GMT is an NZX listed unit trust created by the Trust Deed and administered under the Financial Markets Conduct Act 2013 ("FMCA"). Covenant Trustee Services Limited is the Trustee and supervisor of GMT and is appointed to hold the assets of GMT on trust for Unitholders. The Trustee has the rights and powers in respect of the assets of GMT it could exercise as if it was the absolute owner of such assets, but subject to the FMCA and the rights given to the Manager by the FMCA and the Trust Deed.

GMT Bond Issuer Limited is a wholly owned subsidiary of GMT and issuer of Goodman+Bonds. Goodman+Bonds are debt securities listed on the NZDX. They are direct, secured, unsub-ordinated, obligations of the issuer, ranking equally with debt owed to GMT's main banking syndicate. Public Trust is the Bond Trustee for Goodman+Bonds.

GMT Bond Issuer Limited has no activities other than those necessary or incidental to the issuing of Goodman+Bonds and complying with its obligations at law.

Relationship with Goodman Group

Goodman Group is the Trust's largest investor, owning approximately 21.4% of Units on issue at 31 March 2021.

It is also the Manager of the Trust through its wholly owned subsidiary, Goodman (NZ) Limited. The Manager receives fees for the fund management, property services, development management and other services it provides through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited. These fees are summarised on the website within the corporate governance section.

Goodman Group's cornerstone investment and management contract, which includes a market leading performance fee structure, ensures close alignment of interests between Goodman Group and other Unitholders.

Goodman Group holds no Goodman+Bonds.

NZX Corporate Governance Code

The following section assesses GMT's corporate governance framework against the principles and recommendations of the NZX Corporate Governance Code. A more detailed analysis against the NZX Code is set out in the Corporate Governance Statement which can be found in the governance section of the Goodman Property Trust website https://nz.goodman.com/who-we-are/corporate-governance.

Principle 1 — Code of Ethical Behaviour

The highest standards of behaviour are expected from the Directors and employees of the Manager. These expectations are formalised in the following policies, practices and processes.

Code of Conduct
This policy establishes the standards of ethical and personal conduct expected of Directors and employees. It is consistent with the wider corporate values of the Manager and compliance with the policy is a condition of employment. Induction training and regular refresher sessions are provided.

The policy specifically requires Directors and employees to act with honesty and integrity in a professional and respectful manner, respecting confidentiality and in accordance with the law. All stakeholders are to be treated fairly and individuals are expected to be transparent, declaring and managing any conflicts of interest.

All Directors and employees are responsible for reporting unethical or corrupt behaviour and the Manager will take whatever disciplinary action it considers appropriate in the circumstances, including dismissal.

Financial Products Trading Policy
This policy reflects the insider trading provisions of the FMCA and strengthens those requirements with additional compliance standards and procedures which Directors and employees who wish to trade in GMT Units or Goodman+Bonds must comply with.

The Manager imposes trading windows through this policy as well as requiring written approval of the CEO or Chair prior to any trade.

Principle 2 — Board Composition & Performance

The Board works with Management to formulate and implement its strategy for the Trust, monitoring its performance against set objectives. The Board also has the responsibility to ensure business risks are appropriately identified and managed and that the statutory, financial and social responsibilities of the Manager are complied with.

Board Charter

The Board Charter sets out the roles and responsibilities of the Board, while a statement of investment policies and objectives provides the strategic framework.

To facilitate the effective execution of its responsibilities, the Board has developed a statement of delegated authority for Management. This statement clarifies which matters are dealt with by the Board and which matters are the responsibility of Management and includes areas such as finance, corporate matters and property transactions.

A copy of the Board's approved mandate and Board Charter can be found on the website within the corporate governance section.

Board Composition

The Board of the Manager comprises seven Directors, with a majority being independent (as defined in the Listing Rules). John Dakin, Gregory Goodman and Phil Pryke are not considered independent due to their relationship with Goodman Group. The biographies of the Directors can be found online at www.goodmanreport.co.nz.

The Board during the year included:

Name	Classification	Original appointment	Expiry of current term
Keith Smith	Independent Director	13 May 2004	The date of the annual meeting of unitholders in 2022
Laurissa Cooney	Independent Director	4 November 2020	The date of the annual meeting of unitholders in 2021
David Gibson	Independent Director	2 February 2021	The date of the annual meeting of unitholders in 2021
Leonie Freeman	Independent Director	11 October 2011	The date of the annual meeting of unitholders in 2021
Susan Paterson	Independent Director	11 April 2008	Retired 31 March 2021
Peter Simmonds	Independent Director	14 October 2010	Retired 31 December 2020
Gregory Goodman	Non-executive Director	23 December 2003	n/a
Phil Pryke	Non-executive Director	28 January 2004	28 February 2023
John Dakin	Executive Director	1 July 2012	30 June 2021

Directors have an average tenure of 10 years at 31 March 2021. They are encouraged to undertake training to ensure they have the market knowledge and governance expertise to perform their roles and duties. Any new director receives a comprehensive induction that includes a tour of the Trust's assets.

All Directors are appointed for three-year terms, after which they are eligible for reappointment[(1)]. Independent Directors are appointed by Unitholders in the manner described in the Trust Deed. As the Manager is a wholly owned subsidiary of Goodman Group, appointment of non-independent directors is made by Goodman Group.

The Board of GMT Bond Issuer Limited replicates the Board of the Manager. A separate Board, including separate Board meetings, is maintained to ensure the obligations of GMT Bond Issuer Limited as the issuer of the Goodman+Bonds are met.

Both entities have written agreements with each Director setting out the terms and conditions of their appointment.

Diversity and inclusion

As an externally managed Unit Trust, GMT does not have any employees. The Directors and staff are employed through Goodman (NZ) Limited and Goodman Property Services (NZ) Limited, subsidiaries of Goodman Group.

A diversity and inclusion policy, specific to NZ Directors and employees was adopted in 2018. It recognises that an inclusive and diverse culture provides a greater variety of views and ideas that lead to better business outcomes. Under this policy, the Manager undertakes to measure gender, ethnicity and age on a regular basis and to report progress against future targets.

The table below shows the gender split between the various business segments and compares this against the 2023 targets included in the diversity and inclusion policy.

Gender diversity	Total persons	Female			Male		
		2020	2021	2023	2020	2021	2023
Board	7	28.6%	28.6%	>40%	71.4%	71.4%	<60%
Executive*	7	28.6%	28.6%	>40%	71.4%	57.1%	<60%
Managerial	10	25.0%	20.0%	>35%	75.0%	80.0%	<65%
Other staff	41	55.0%	53.7%	=50%	45.0%	46.3%	=50%

*The proportion of male and female executive team members does not sum to 100% in 2021 as participants can choose not to answer.

Of the seven directors that comprise the Board two are female and five are male. The composition is unchanged from the 2020 financial year.

Of the 58 staff that make up the business 44.8% are female. On average, a Goodman team member has been with the business for 8.1 years and is approximately 40 years old. It's a team that includes 12 different ethnicities, with speakers of 14 different languages.

(1) The exception is Gregory Goodman who has a standing appointment in his role as Group CEO of Goodman Group.

The Chair and the Chief Executive Officer
As recommended by the NZX Code, the roles of Chair and Chief Executive Officer are separated. This separation avoids concentrations of influence and increases accountability.

Keith Smith is the Chair and John Dakin is the Chief Executive Officer of the Manager. John is also an Executive Director of the Manager.

Board Meetings
The Board typically meets in person five times a year, with one of those meetings focused on business planning and strategy.

During the financial year to 31 March 2021 all Directors attended each Board meeting they were entitled to attend. The 100% attendance record was also maintained in the 2020 financial year.

The Independent Directors are encouraged to meet separately when necessary and, in any event, not less than once a year. They are also entitled to take independent legal advice at the Manager's expense should they believe it necessary to adequately perform their role.

Company Secretary
The company secretarial function is performed by Anton Shead, the Manager's General Counsel. Refer to www.goodmanreport.co.nz for Anton's biography.

Principle 3 – Board Committees

The Board establishes committees to assist in the exercise of its functions and duties and to ensure that all risks are effectively monitored and managed.

Audit Committee
The Audit Committee is a permanent committee which typically meets four times a year. As at the date of this Report, the Audit Committee has a majority of Independent Directors and comprises: Laurissa Cooney (Chair), Keith Smith, Leonie Freeman, David Gibson and Phil Pryke. Phil Pryke is the only Director on the Audit Committee who is not independent.

All members of the Audit Committee are non-executive Directors.

The Audit Committee operates under the terms of a formal charter, a copy of which is available on the website within the corporate governance section. The duties and responsibilities of the Audit Committee include the following:

- monitoring the independence, ability and objectivity of the external auditor;
- ensuring the Key Audit Partner (as defined in the Listing Rules) is changed every five years;
- reviewing the financial statements of GMT and GMT Bond Issuer Limited and overseeing the auditing of those financial statements;
- reviewing and reporting to the Board on the appropriateness of GMT's Financial Risk Management policy;
- setting the parameters for the internal audit programme, overseeing its implementation and reviewing its outputs and recommendations; and
- overseeing and advising on the Manager's internal risk management programme.

Remuneration Committee
The NZX Code recommends that a Remuneration Committee be established to benchmark remuneration packages for Directors and senior employees and that this be disclosed to investors.

GMT has not followed this recommendation during the financial year ended 31 March 2021, as its external management structure means that these costs are borne by the Manager and a Remuneration Committee is not required.

In the interests of transparency and good governance the Manager has disclosed the basis upon which the Goodman Group Remuneration and Nominations Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This disclosure is included under Principle 5 on page 107.

Nomination Committee
GMT's Trust Deed gives Unitholders the right to nominate and appoint Independent Directors.

The Board, rather than a committee, manage the nomination and appointment process of any new non-independent director. The Goodman Group Remuneration and Nomination Charter applies to the extent relevant and should the Board decide to add a director (whether as the result of a retirement or otherwise), then the Board may constitute a committee to consider that appointment.

Other Committees
The Board may from time to time establish other committees for a specific purpose. The terms of reference for each committee is agreed by the Board as part of the establishment process. Examples include:

(a) Due Diligence Committee

The Board will establish a Due Diligence Committee to oversee and report to the Board on any transaction of a significant size and/or complexity.

A Due Diligence Committee will usually include at least one Independent Director, relevant external consultants and members of Management considered appropriate for the transaction in question.

(b) Appointments Committee

The Board will, when it considers appropriate, constitute an Appointments Committee to consider senior executive and director appointments and performance. An Appointments Committee will usually include at least one Independent Director and other persons considered appropriate.

Takeover protocol
The Board has approved a Takeover Response Manual, which establishes the procedure to be followed if there is a takeover offer, including the establishment of an independent committee to manage the response obligations.

Principle 4 — Reporting & Disclosure

A fully informed and efficient market builds investor confidence which ultimately contributes to the investment performance of the Trust and its ability to raise capital.

The Manager is committed to keeping Unitholders, regulators and other stakeholders fully and promptly informed of all material information. The Manager has policies and procedures that govern the behaviour of the Directors and employees ensuring balanced and timely information is provided to the market.

Continuous Disclosure Policy

The Manager has a Continuous Disclosure Policy which details the relevant legal requirements and sets out the procedures put in place to ensure compliance with them.

Related Party Policy

The Manager believes that having a Board with a majority of experienced and strong Independent Directors, effectively manages any related party issues or conflicts that could arise with an external management structure.

A comprehensive Related Party Policy summarises the relevant restrictions contained in the Listing Rules, the law and relevant contractual commitments, and how these issues are managed. The Manager uses this policy as a tool to ensure that:

- Management and the Board are properly briefed and educated on the relevant restrictions and the processes put in place to ensure compliance with these restrictions; and
- Unitholders and the investment market recognise that the Manager deals with related party issues in an appropriate, transparent and robust manner.

Other reporting

The Manager has extended GMT's corporate reporting in recent years to provide a broader overview of the business, explaining how the Trust creates long-term value for all its stakeholders. It includes additional information about the Managers own-develop-manage business model, the current investment strategy and achievements in the sustainability programme.

Fourteen factors were identified as key drivers of the Trust's success in a materiality survey undertaken with a representative group of stakeholders in FY21. The seven most important included, customer attraction and retention, sustainable structure, operations and results, health, safety and wellbeing, flexible and adaptable properties, diversity and inclusiveness, sustainable design and management, and responsible investment. These seven areas are the focus of GMT's corporate reporting.

Access to key governance documents

The governance section of the website, https://nz.goodman.com/who-we-are/corporate-governance contains all the relevant policies, charters and other documents described in this report including;

- The Trust Deed of Goodman Property Trust
- The Statement of Investment Policies and Objectives for Goodman Property Trust
- Goodman (NZ) Limited Audit Committee Charter
- Goodman Property Trust Fee Summary
- Goodman (NZ) Limited Board Charter
- Goodman (NZ) Limited Board Mandate
- Code of Conduct
- Corporate Governance Statement
- Financial Products Trading Policy
- Goodman (NZ) Limited Diversity Policy
- Continuous Disclosure Policy
- Related Party Policy
- Health and Safety Statement

Together with the Trust Deed of GMT Bond Issuer Limited (including the Supplemental Trust Deeds).

Principle 5 — Remuneration

GMT's external management structure means that the Trust does not have any Directors or employees of its own.

The remuneration of the Directors and employees are direct costs of Goodman (NZ) Limited and Goodman Property Services (NZ) Limited respectively. The expense is a cost of managing GMT, a service for which these entities receive fees. For these reasons, during the financial year ended 31 March 2021, GMT cannot comply with the NZX Code recommendations for issuers to have a remuneration policy and to recommend Director remuneration to unitholders for approval as those recommendations have no application to a Unit Trust such as GMT which has no Directors and no employees.

A breakdown of the fees paid by GMT in FY21 is provided in Note 9 of the Financial Statements, page 80.

In the interests of transparency and good governance the Manager has disclosed the basis upon which the Goodman Group Remuneration and Nominations Committee determines the packages payable to Directors and employees involved with its New Zealand operations. This detail is provided with the consent of the Directors and the Chief Executive Officer.

Directors remuneration

Directors of Goodman (NZ) Limited are paid fees that reflect the responsibility of governing the Trust and implementing a strategy that creates value for its investors. The level of remuneration is regularly benchmarked against other comparable companies.

Directors were entitled to fees, including fees for Due Diligence Committee matters, as set out below. None of the Directors are paid performance related fees relating to their directorships.

Director	Role	2021 $	2020 $
Keith Smith	Chair, Independent Director	155,000	158,500
Peter Simmonds (Retired 31 December 2020)	Chair Audit Committee, Independent Director	75,000	100,000
Susan Paterson (Retired 31 March 2021)	Independent Director	90,000	90,000
Laurissa Cooney (Appointed 4 November 2020)	Chair Audit Committee, Independent Director (from 1 January 2021)	39,250	–
David Gibson (Appointed 2 February 2021)	Independent Director	15,000	–
Leonie Freeman	Independent Director	90,000	90,000
Phil Pryke	Non-executive Director	90,000	90,000
Greg Goodman	Non-executive Director	–	–
John Dakin	Executive Director	–	–

The Chair receives $155,000 per annum (increased to $165,000 from 1 April 2021), the Chair of the Audit Committee $100,000 per annum (increased to $120,000 from 1 April 2021), and each other Director $90,000 per annum (increased to $100,000 from 1 April 2021). In addition, Directors are paid $300 per hour for time spent in relation to Due Diligence Committee matters.

Greg Goodman and John Dakin are remunerated by way of salary for their executive roles and are not paid any additional remuneration for their positions as Directors on the Board.

Chief Executive Officer and employee remuneration

The remuneration of the CEO and other employees is designed to attract and retain the most talented and effective individuals. Packages include a base salary, together with short-term and long-term incentive components.

A summary of key remuneration principles is set out below:

- the basis of remuneration is local market referenced base salary, reviewed annually;
- employees may be awarded short term incentives in the form of discretionary cash bonuses, subject to GMT, Goodman Group and personal achievement of financial and operational targets;
- all employees can participate equally in two long term incentive plans designed to maximise long-term alignment with Unitholders of GMT ("NZ LTIP") and Securityholders of Goodman Group ("Goodman Group LTIP");
- the NZ LTIP, performance rights are issued which give employees the right to acquire, for nil consideration, Goodman Property Trust units subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes. GMT units awarded are sourced from units held by Goodman Group or purchased on market by Goodman Group or can be cashed out at the option of Goodman Group. GMT does not issue any new units in relation to the NZ LTIP;
- under the Goodman Group LTIP, performance rights are issued which give employees the right to acquire, for nil consideration, stapled securities of Goodman Group subject to the satisfaction of hurdles assessed over specific three-year testing period timeframes; and
- for both LTIP schemes, an employee is required to remain employed for a five-year period from the initial granting to be eligible to receive all the awards that meet performance hurdles.

Employees automatically receive life insurance cover and salary continuance insurance and for those that are participating, KiwiSaver contributions of 3% are made in addition to salary payments. Dependent on role, employees may receive the use of a company vehicle and may have a workplace carpark provide.

The remuneration of the CEO, including the nature and amount of each major element, is shown below. All amounts are in New Zealand dollars.

Chief Executive Officer's Short-Term Remuneration

	Salary $	Bonus[1] $	KiwiSaver $	Total $
31 March 2021	450,000	700,000	34,500	1,184,500
31 March 2020	450,000	625,000	32,250	1,107,250

Chief Executive Officer's Long-Term Remuneration

	Goodman Group LTIP		NZ LTIP	
Number of Performance Rights	Granted	Vesting	Granted	Vesting
31 March 2021	125,000	128,959	934,500	832,683
31 March 2020	100,000	121,229	825,898	720,372

(1) Bonus paid in the year ended 31 March 2021 related to GPSNZ's year ended 30 June 2020. Bonus paid in the year ended 31 March 2020 related to GPSNZ's year ended 30 June 2019.

More than 80% of the CEO's total remuneration is performance based and therefore at risk. On average, other executives have around 65% of their total remuneration at risk. For the year ended 31 March 2021 the ratio between the average base salary paid to an employee and the Chief Executive Officer was 1 to 3.8.

Participation in long term incentive plans

For the year ended 31 March 2021 the NZ LTIP awarded employees a total of 3,412,017 GMT units with a market value of $7.5 million on the date of vesting. The Goodman Group LTIP awarded employees a total of 547,384 GMG securities with a market value of NZ$12.7 million on the date of vesting.

As at 31 March 2021 under both LTIP schemes employees held performance rights some of which had completed their three-year testing period and met some or all of the performance hurdles ("Tested performance rights"). These performance rights will vest to employees over the next three years subject to continuing employment and limited other circumstances. In addition, employees hold performance rights which have not yet reached the end of their three-year testing period ("Untested performance rights").

Total performance rights held by employees as at 31 March 2021 is summarised below:

	NZ LTIP	Goodman Group LTIP
Tested performance rights	3,830,824	545,293
Untested performance rights	10,988,293	1,410,503
Total performance rights held	14,819,117	1,955,796

Principle 6 — Risk Management

The Manager maintains a risk management framework for GMT that includes regular reporting to both the Audit Committee and the Board and the undertaking of an annual risk assessment for GMT.

The Board has the overall responsibility for ensuring that risk is managed effectively. This includes consideration of all strategic, operational, financial and compliance risks. The Audit Committee reviews the effectiveness of the risk management process.

Risk register
The register identifies the material risks to the business, assessing the impact and likelihood of each risk along with the steps taken to mitigate possible adverse impacts. Customer, environmental, financial, human, health and safety, regulatory and reputational impacts are all considered.

The Manager's business risk function facilitates the annual review of the risk register in conjunction with senior management. Existing risks are reassessed, and new risks considered during the review.

Financial risk management policy
The policy reflects the Board's approach to managing financial risks. It includes policies, controls relating to:

- Liquidity risk
- Interest rate risk
- Foreign exchange risk
- Counterparty credit risk
- Operational risk

This policy is reviewed by the Board annually.

Health and Safety
The health, safety and wellbeing of employees, customers, contractors and the wider community is a business priority.

Since the introduction of the Health and Safety at Work Act 2015 the Manager has worked closely with staff and contractors to develop a culture of greater safety awareness. The emphasis on proper processes, vigilance and personal responsibility is consistent with the aim of being free of serious harm accidents.

Detailed reporting, including trend analysis, is provided to the Board on a regular basis and used to identify and mitigate future health and safety risks.

There were no serious harm accidents recorded in the last financial year.

Principle 7 — Auditors

The Audit Committee ensures the quality and independence of the external audit process. The Committee ensures the annual audit is carried our independently and without impairment maintaining the credibility and reliability of the Trust's financial reporting.

Annual meeting attendance
The Manager also requires the external auditors to attend the annual meeting to answer Unitholders' questions about the conduct of the audit, as well as the preparation and content of the independent auditor's report.

Internal audit
The Audit Committee approves the annual internal audit programme. The scope of the internal audit programme varies from year to year depending on the outcome of the risk assessment review described in Principle 6.

The service is performed by Goodman Group with its engagement approved by the Trust's supervisor and the Independent Directors.

Principle 8 — Unitholder Rights & Relations

The Board and Manager encourage investor engagement and facilitate this through regular communication and meeting opportunities. The Manager's investor relations resource is responsible for delivering this programme. It typically includes:

- An annual meeting
- Investor open days
- Periodic newsletters
- Annual reports
- Live webcasts of the interim and annual result presentations
- Regular institutional investor and analyst meetings
- National road show presentations
- Investor briefings

The investor relations section of the website is the repository of important information about GMT and GMT Bond Issuer Limited. It includes, NZX releases, financial result and meeting presentations, reports and newsletters, and distribution histories. It also allows investors to view current prices and link to the Registrar to check their holding, update details and download forms.

Investors have the option of receiving communication in printed or electronic format and live webcasting is provided for the annual meeting and financial result presentations.

A dedicated toll-free investor line is also available for any investment related queries, 0800 000 656 (+64 9 375 6073 from outside New Zealand).

Annual meeting of Unitholders
The Trust Deed requires an annual meeting of Unitholders every year. The Board encourages the participation of Unitholders at these meetings to ensure accountability and familiarity with the objectives of its investment strategy.

The next annual meeting is to be held on 7 July 2021.

Further details will be contained in the Notice of Meeting, which is expected to be distributed on or around 8 June 2021. This timing is consistent with the NZX requirement of being at least 28 days ahead of the meeting.

Voting on resolutions is done by poll and online proxy voting is provided for investors unable to attend. Unitholders have one vote per unit they hold.

Other statutory and listing rule disclosures

NZX Waivers
NZX has granted waivers to GMT and GMT Bond Issuer at various times, some of which have been relied upon by GMT and GMT Bond Issuer Limited during the year ended 31 March 2021.

GMT
On 6 May 2019, NZX granted GMT waivers from various Listing Rules, set out below. GMT was granted waivers by the NZX from the equivalent provisions of the Listing Rules, which applied before 1 January 2020, in decisions dated 21 April 2005 and 18 October 2010.

1. NZX granted GMT waivers from various governance requirements in Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 to the extent that these rules would apply to GMT's non-Independent Directors. As GMT is a managed investment scheme, the governance requirements and processes to be followed by issuers of Equity Securities (in receiving nominations and the appointment and duration of that appointment of a Director), are not readily applicable to GMT's governance structure. The effect of the waivers from Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 is that the governance processes of the Board of the Manager remains consistent with how it was governed before the waivers were granted. The waivers from Listing Rules 2.2, 2.3, 2.4, 2.7 and 2.8 have been granted on the condition that GMT complies with those Listing Rules in respect of the Manager's Independent Directors, and GMT having a Non Standard (NS) designation in accordance with Listing Rule 1.18.1.
2. NZX granted GMT a waiver from Listing Rule 2.10 to the extent that Directors of the Manager are "interested" in transactions that the Manager is entering for the purposes of the day-to-day management of GMT, solely due to those Directors being a Director of the Manager. Without this waiver, the Directors of the Manager could be deemed to be "interested" in every decision relating to the investments by GMT due to the relationship between the Manager, GMT and Unitholders, with the Directors therefore unable to vote on these decisions. The waiver from Listing Rule 2.10 has been granted on the condition that any Director abstain from voting on any transactions entered into by the Manager on behalf of GMT with another entity in respect of which the Director would be otherwise "interested".
3. NZX granted GMT a waiver from Listing Rules 2.11 and 2.12. The effect of the waivers from Listing Rules 2.11 and 2.12 is that the remuneration of the Directors of the Manager is not required to be approved by Unitholders, as the remuneration is paid out of the fees the Manager is entitled to in relation to its role as manager of GMT under the Trust Deed, and which has been approved by Unitholders. The waivers from Listing Rules 2.11 and 2.12 are granted on the following conditions:
   (a) all of the Manager's Directors' remuneration is paid directly from the income of the Manager;
   (b) the income of GMT cannot directly be applied in satisfaction of Directors' remuneration; and
   (c) the Manager discloses in its annual report the income it has earned in respect of its management of GMT for the prior financial year.
4. NZX granted GMT a waiver from Listing Rule 2.20.1(a)(i) to the extent that this rule requires Rules 2.2.1 and 2.8.1 to be incorporated by reference into the Trust Deed of GMT, which GMT has been granted waivers from, discussed above. The effect of this waiver is to ensure there is consistency between the waivers granted and the contents of the Trust Deed.
5. NZX granted GMT a waiver from Listing Rule 4.2.2 permitting the issue of Units (on a perpetual basis) to the Manager as consideration for the Manager's performance fee ("Performance Fee Units") under the terms of the Trust Deed, without the annual approval of Unitholders. The waiver from Listing Rule 4.2.2 has been granted on the following conditions:
   (a) that any Performance Fee Units would be issued to the Manager in accordance with the terms of the Trust Deed, as approved by Unitholders at GMT's annual meeting on 2 August 2011;
   (b) the terms and effect of this waiver are disclosed in any Offering Document distributed or registered in respect of an offer of Units during the period in which this waiver is relied upon; and
   (c) the number and price of Performance Fee Units issued to the Manager is disclosed in each annual report during the period in which those Units are issued.

GMT Bond Issuer

No waivers were relied upon during the period.

A complete copy of the waivers provided by NZX can be found at www.nzx.com under the GMT code.

Summary of recent Trust Deed amendments

During the period from 1 April 2020 to 31 March 2021, GMT's Trust Deed was amended by supplemental deed dated 28 May 2020. The amendments to the Trust Deed, as approved by the Manager and the Supervisor, were made to rectify the inconsistencies identified in the explanatory memorandum to approve matters including amendments to the performance fee clauses in the Trust Deed, particularly the "Unitholder Return" and "Benchmark Index" (being the peer performance comparison for the determination of the performance fee) not being calculated on a like-for-like basis, as well as other minor amendments for consistency.

A copy of the supplemental deed which amended GMT's Trust Deed is available on the Corporate Governance section of the Goodman Property Trust Website at www.goodman.com/nz. It is also available on the Disclose Register accessible on the Companies Office website (https://www.companiesoffice.govt.nz/disclose).

Register of Directors' holdings as at the Balance Date (to 31 March 2020)

The table below shows all relevant interests of Directors in Units and Goodman+Bonds under the FMCA, which include legal and beneficial interests in Units.

Director	Units	Goodman+ Bonds
Keith Smith (Chair)[(1)]	467,733	Nil
Laurissa Cooney	Nil	Nil
David Gibson[(2)]	52,100	Nil
Leonie Freeman[(3)]	173,750	Nil
Gregory Goodman	Nil	Nil
Phil Pryke	Nil	Nil
John Dakin[(4)]	2,249,288	Nil

(1) Keith holds a beneficial interest in 378,460 GMT units through The Selwyn Trust. He is also a trustee of that trust. Keith has an interest as a trustee only (i.e. no beneficial interest) in a further 84,194 units, through being trustee of The Gwendoline Trust.

(2) David holds his GMT units through Custodial Services Limited on behalf of the Rakino Trust of which he is a trustee and beneficiary.

(3) Leonie holds her GMT units through the Wave Trust of which she is a trustee and beneficiary.

(4) John holds his units through the SGH Investment Trust of which he is a trustee and beneficiary.

Other Disclosures for GMT Bond Issuer Limited

Interests register

GMT Bond Issuer Limited is required to maintain an interests register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interests register is available for inspection on request.

Specific disclosures of interests

During the financial period, GMT Bond Issuer Limited did not enter into any transactions in which its Directors had an interest. Accordingly, no disclosures of interest were made.

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and its constitution, GMT Bond Issuer Limited has provided insurance for, and indemnities to, Directors for losses from actions undertaken in the course of their duties. The insurance includes indemnity costs and expenses incurred to defend an action that falls outside the scope of the indemnity. The cost of such insurance has been certified as fair by the Directors of GMT Bond Issuer Limited. Particulars have been entered in the interests register pursuant to section 162 of the Companies Act 1993.

Use of company information by Directors

No member of the Board issued a notice requesting to use information received in his or her capacity as a Director which would not have otherwise been available to that Director.

Donations

GMT Bond Issuer Limited did not make any donations during the financial period.

Audit fees

All audit fees and fees for other services provided by PricewaterhouseCoopers are paid by GMT.

Directors' disclosure

During the year ended 31 March 2021, Directors' disclosed interest or cessation of interest (indicated by (C)), in the following entities pursuant to section 140 of the Companies Act 1993.

David Gibson
NZME Limited
Penguin Limited
Sidehustle Ecommerce Limited
Eat Shop Do Limited
GMT Bond Issuer Limited
GMT Wholesale Bond Issuer Limited
Goodman Property Aggregated Limited
Goodman (NZ) Limited
DG Advisory Limited
ALP Studios Limited
Bio-Strategy Holdings Limited
Rangatira Limited
Trustpower Limited

Laurissa Cooney
Accordant Group Limited
Le Rissa Limited
Air New Zealand Limited
GMT Bond Issuer Limited
GMT Wholesale Bond Issuer Limited
Goodman Property Aggregated Limited
Goodman (NZ) Limited
Ngā Tāngata Tiaki
The Aotearoa Circle – Guardian
Tourism Bay of Plenty

Keith Smith
The Warehouse Limited and associated entities (C)

Board of Directors

Keith Smith
Chair and Independent Director

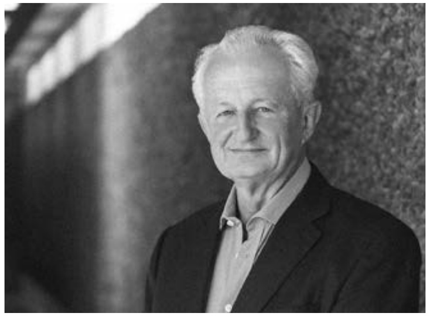
John Dakin
Chief Executive Officer and Executive Director

Leonie Freeman
Independent Director

Gregory Goodman
Non-executive Director

Laurissa Cooney
Independent Director

David Gibson
Independent Director



Phillip Pryke
Non-executive Director

Management team

John Dakin
Chief Executive Officer and Executive Director

Andy Eakin
Chief Financial Officer

James Spence
Director – Investment Management

Jonathan Simpson
Head of Corporate Affairs

Mandy Waldin
Marketing Director

Michael Gimblett
General Manager – Development

Anton Shead
General Counsel and Company Secretary

Kimberley Richards
Director – Investment Management and Capital Transactions

Investor relations

Introduction

Ensuring Unitholders and Bondholders are well informed and easily able to manage their investment is a key priority of the Manager's investor relations team. Regular meetings and communications, its website and a dedicated toll-free contact number provide investors with the means to make informed decisions.

Investor centre

The website, www.goodman.com/nz, enables Unitholders and Bondholders to view information about their investment, download investor forms, check current prices and view publications and announcements.

Reports

For Unitholders and Bondholders who elect to receive printed copies, the Annual and Interim Reports are typically mailed around June and December of each year respectively.

Unitholder distribution

The Trust typically pays its distributions quarterly in the third month that follows each quarter. For example, the distribution for the March 2021 quarter will be paid in June 2021.

Bondholder interest payments

Interest is paid semi-annually, each year, until redemption. No dividends or distributions have been paid by GMT Bond Issuer Limited.

Helpline

The Manager has a dedicated toll-free number, 0800 000 656 (+64 9 375 6073 from outside New Zealand), which will connect Unitholders and Bondholders directly with the investor relations team who will assist with any queries.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Trust's Unit and Bond Registers.

If you have a question about the administration of your investment, Computershare can be contacted directly:

- by phone, on their toll-free number 0800 359 999 (+64 9 488 8777 from outside New Zealand);
- by email, to enquiry@computershare.co.nz; or
- by mail, to Computershare Investor Services Limited, Private Bag 92119, Auckland 1142.

Complaints procedure

As a financial service provider registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008, the Manager is a member of an approved dispute resolution scheme (registration number FSP36542).

Complaints may be made to the Manager or through the financial dispute resolution scheme.

Contact details of both are included in the corporate directory at the end of this document.

Top 20 Unitholders

As at 30 April 2021

Rank	Registered name	Holding balance	% of total issued units
1	Goodman Investment Holdings (NZ) Limited	297,975,387	21.42
2	HSBC Nominees (New Zealand) Limited	100,708,983	7.24
3	Accident Compensation Corporation	79,696,814	5.73
4	Citibank Nominees (New Zealand) Limited	68,536,029	4.93
5	FNZ Custodians Limited	65,507,084	4.71
6	HSBC Nominees (New Zealand) Limited A/C State Street	64,831,433	4.66
7	JPMorgan Chase Bank NA NZ Branch – Segregated Clients Acct	58,021,831	4.17
8	Forsyth Barr Custodians Limited	36,146,356	2.60
9	BNP Paribas Nominees (NZ) limited	32,215,790	2.32
10	New Zealand Depository Nominee Limited	27,785,817	2.00
11	Investment Custodial Services Limited	26,097,945	1.88
12	ANZ Wholesale Trans-Tasman Property Securities Fund	26,079,000	1.88
13	Hobson Wealth Custodians Limited	23,797,236	1.71
14	Tea Custodians Limited Client Property Trust Account	19,178,365	1.38
15	BNP Paribas Nominees (NZ) limited	18,467,572	1.33
16	ANZ Wholesale Property Securities	14,800,563	1.06
17	JBWere (NZ) Nominees Limited	14,733,090	1.06
18	BNP Paribas Nominees (NZ) limited	12,973,850	0.93
19	Mint Nominees Limited	12,839,039	0.92
20	Custodial Services Limited	12,517,196	0.90
Units held by top 20 Unitholders		**1,012,909,380**	**72.81**
Balance of Units held		**378,318,615**	**27.19**
Total of issued Units		**1,391,227,995**	**100.00**

Unitholder Distribution

As at 30 April 2021

Unitholding Range	Number of Unitholders	Number of Units
1 to 9,999	3,296	15,796,913
10,000 to 49,999	4,357	94,917,826
50,000 to 99,999	616	40,493,100
100,000 to 499,999	384	69,669,468
500,000 to 999,999	29	18,313,418
1,000,000 and above	52	1,152,037,270
Total	**8,734**	**1,391,227,995**

Substantial Unitholders

As at 31 March 2021

It is a requirement of the Financial Markets Conduct Act 2013[(1)] that each listed issuer makes available the following information in its Annual Report.

Unitholder	Number of Units Held [(2)]
Goodman Investment Holdings (NZ) Limited	262,447,211[(3)]
Goodman Limited	262,447,211[(3)]
Accident Compensation Corporation	69,315,287

(1) The numbers of Units listed above are as at 31 March 2021 according to disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013 and (prior to 1 December 2014) notices received under section 26 of the Securities Markets Act 1988. As these disclosures and notices are required to be filed only if the total holding of a Unitholder changes by 1% or more since the last notice filed, the numbers noted in this table may differ from those shown in the list of top 20 Unitholders. The list of top 20 Unitholders is shown as at 30 April 2021, rather than 31 March 2021.

(2) The total number of Units on issue as at 31 March 2021 was 1,391,227,995.

(3) Due to the breadth of the definition of 'Substantial Product Holder' in the Financial Markets Conduct Act 2013 and the nature of Goodman Group's corporate structure, the list above requires Goodman Group's holding in GMT to be shown through multiple entities each holding differing (i.e. legal or beneficial) interests. The total holding of Goodman Group as at 31 March 2021 was 297,975,387 Units.

Bondholder Distribution

As at 30 April 2021

GMB030	Number of Bondholders	Number of Bonds
1 to 9,999	169	942,000
10,000 to 49,999	554	9,560,000
50,000 to 99,999	71	4,365,000
100,000 to 499,999	32	5,839,000
500,000 to 999,999	7	4,819,000
1,000,000 and above	18	74,475,000
Total	**851**	**100,000,000**

GMB040	Number of Bondholders	Number of Bonds
1 to 9,999	14	91,000
10,000 to 49,999	119	2,283,000
50,000 to 99,999	26	1,624,000
100,000 to 499,999	21	4,363,000
500,000 to 999,999	7	4,766,000
1,000,000 and above	22	86,873,000
Total	**209**	**100,000,000**

GMB050	Number of Bondholders	Number of Bonds
1 to 9,999	30	162,000
10,000 to 49,999	168	3,087,000
50,000 to 99,999	21	1,366,000
100,000 to 499,999	17	2,742,000
500,000 to 999,999	7	4,354,000
1,000,000 and above	20	88,289,000
Total	**263**	**100,000,000**

Glossary

$ and cents
New Zealand currency.

Balance date
31 March 2021.

Board
the Board of Directors of the Manager and GMT Bond Issuer Limited.

Bondholder
a person whose name is recorded in the register as a holder of a Goodman+Bond.

Cash earnings
Cash earnings is a non-GAAP measure that assesses free cash flow, on a per unit basis, after adjusting for certain items. Calculation of GMT's cash earnings is set out on page 54.

CEO
the Chief Executive Officer of the Manager.

Chair
the Chair of the Board of the Manager.

Co-ownership Agreement
the agreement of that name between the Manager, Goodman Property Aggregated Limited, the Trustee, Goodman Funds Management Limited as responsible entity of GIT, Tallina Pty Limited as trustee of Penrose Trust, and Trust Company Limited as custodian of Tallina Pty Limited, dated 1 April 2004 as amended by the Restructuring Agreement between the same parties dated 7 March 2005, relating to the buying, selling and holding of property by the Trust and Goodman Group in 50/50 shares.

CPU or cpu
cents per unit.

Disclose Register
the Disclose Register is a register for offers of financial products and managed investment schemes under the Financial Markets Conduct Act 2013.

Director
a director of the Manager and GMT Bond Issuer Limited.

GIT
Goodman Industrial Trust and its controlled entities, as the context requires.

GL
Goodman Limited and its controlled entities, as the context requires.

GMB
GMT Bond Issuer Limited, a wholly owned subsidiary of Goodman Property Trust.

Goodman
means Goodman (NZ) Limited as the Manager of the Trust.

Goodman Group or GMG
means GL, GIT and Goodman Logistics (HK) Limited, operating together as a stapled group. Where either GL, GIT or and Goodman Logistics (HK) Limited is party to a contract or agreement or responsible for an obligation or liability, without the other, all references to Goodman Group as concerns that contract, agreement or responsibility shall be to that party alone.

Goodman+Bond or Bond
a bond issued by GMB.

GPSNZ
Goodman Property Services (NZ) Limited.

Independent Director
has the meaning given to that term in the Listing Rules which, for the Manager are those persons listed on the following page.

Listing Rules
the Listing Rules of NZX from time to time and 'LR' is a reference to any of those rules.

Loan to value ratio or LVR
Loan to value ratio is a non-GAAP financial measure used to assess the strength of GMT's balance sheet. The calculation is set out in note 2.6 of GMT's financial statements.

Management
the senior executives of the Manager.

Manager or GNZ
the manager of the Trust, Goodman (NZ) Limited.

NTA
net tangible assets.

NZ IFRS
New Zealand equivalents to International Financial Reporting Standards.

NZDX
the New Zealand debt market operated by NZX.

NZX
means NZX Limited.

NZX Code
means the NZX Corporate Governance Code 2019.

Operating earnings
Operating earnings are a non-GAAP financial measure included to provide an assessment of the performance of GMT's principal operating activities. Calculation of operating earnings are as set out in GMT's Profit or Loss statement.

Registrar
the unit registrar for GMT and Goodman+Bond registrar for GMB which, at the date of this Annual Report, is Computershare Investor Services Limited.

sqm
square metres.

Total Unitholder Return
GMT's stock market performance including unit price appreciation and distributions paid.

Trust Deed
the GMT trust deed dated 23 April 1999, as amended from time to time.

Trust or GMT
Goodman Property Trust and its controlled entities, including GMB, as the context requires.

Trustee
the trustee of the Trust, Covenant Trustee Services Limited.

Unitholder or unitholder
any holder of a Unit whose name is recorded in the register.

Unit or unit
a unit in GMT.

Business directory

Manager of Goodman Property Trust

Goodman (NZ) Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142
Toll free: 0800 000 656 (within New Zealand)
Telephone: +64 9 375 6060 (outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

Issuer of Goodman+Bonds

GMT Bond Issuer Limited

Level 2, 18 Viaduct Harbour Avenue
Auckland 1010
PO Box 90940
Victoria Street West
Auckland 1142
Toll free: 0800 000 656 (within New Zealand)
Telephone: +64 9 375 6060 (outside New Zealand)
Email: info-nz@goodman.com
Website: www.goodman.com/nz

Complaint procedure

Financial Dispute Resolution Service

Freepost 231075
PO Box 2272
Wellington 6140
Toll free: 0508 337 337 (within New Zealand)
Telephone: +64 4 910 9952 (outside New Zealand)
Email: enquiries@fdr.org.nz

Auditor

PricewaterhouseCoopers

PwC Tower
15 Customs Street West
Auckland 1010
Private Bag 92162
Auckland
Telephone: +64 9 355 8000
Facsimile: +64 9 355 8001

Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Victoria Street West
Auckland 1142
Toll free: 0800 359 999 (within New Zealand)
Telephone: +64 9 488 8777 (outside New Zealand)
Facsimile: +64 9 488 8787
Email: enquiry@computershare.co.nz

Legal Advisors

Russell McVeagh

Level 30, Vero Centre
48 Shortland Street
PO Box 8
Auckland 1140
Telephone: +64 9 367 8000
Facsimile: +64 9 367 8163

Trustee and Supervisor for Goodman Property Trust

Covenant Trustee Services Limited

Level 6, Crombie Lockwood Building
191 Queen Street
PO Box 4243
Auckland 1140
Telephone: +64 9 302 0638

Bond Trustee

Public Trust

Level 9
34 Shortland Street
PO Box 1598
Shortland Street
Auckland 1140
Toll free: 0800 371 471 (within New Zealand)
Telephone: +64 9 985 5300 (outside New Zealand)

Directors of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chair and Independent Director
Keith Smith

Independent Directors
Laurissa Cooney
Leonie Freeman
David Gibson

Executive Director
John Dakin

Non-executive Directors
Gregory Goodman
Phillip Pryke

Management Team of Goodman (NZ) Limited and GMT Bond Issuer Limited

Chief Executive Officer
John Dakin

Chief Financial Officer
Andy Eakin

General Counsel and Company Secretary
Anton Shead

Director Investment Management
James Spence

General Manager Development
Michael Gimblett

Director Investment Management and Capital Transactions
Kimberley Richards

Head of Corporate Affairs
Jonathan Simpson

Marketing Director
Mandy Waldin


Goodman
Making space for greatness
CARBON ZERO
TOITŪ
CARBON ZERO
ISO 14064-1 ORGANISATION
CERTIFIED BUSINESS
goodman.com/nz