



# MANAGED INVESTMENT SCHEME

[↗](#) ANNUAL REPORT 2022

# CONTENTS

Details of the Scheme	3
Description of the Scheme	3
Information on composition of the Scheme	3
Changes relating to the Scheme	4
Financial condition and performance of the Scheme	5
Fees	6-8
Scheme property	8
Changes to persons involved in the Scheme	9
How to find further information	9
Contact details and complaints	10-11

Kia ora  
Welcome

## Details of the Scheme

The scheme is the Goodman Property Trust (“Scheme” or “GMT”) which is a managed investment scheme for the purposes of the Financial Markets Conduct Act 2013 (“FMCA”).

The Manager of the Scheme is Goodman (NZ) Limited (“GNZ”) and the Supervisor is Covenant Trustee Services Limited.

A Product Disclosure Statement has not been prepared for the Scheme as no regulated offers of units have been made pursuant to the FMCA.

The Scheme’s latest financial statements and the auditor’s report for those statements were lodged with the Registrar on 25 July 2022.

Units in the Scheme are listed on the NZX with the code of GMT.

## Description of the Scheme

The Scheme owns, develops and manages commercial property and business real estate space located in New Zealand.

The Scheme is a unit trust established by a trust deed dated 23 April 1999 (“Trust Deed”), under the Unit Trusts Act 1960.

## Information on composition of the Scheme

This Annual Report covers the accounting period from 1 April 2021 to 31 March 2022.

The number of managed investment products, being units in the Scheme, (“Units”) on issue at the start of the accounting period was 1,391,227,995.

The number of Units on issue at the end of the accounting period was 1,397,303,338.

## Changes relating to the Scheme

Material changes to the nature of the Scheme, the Scheme property, or the management of the Scheme over the accounting period are as follows:

### STATEMENT OF INVESTMENT POLICIES AND OBJECTIONS (“SIPO”)

There have been no amendments to the SIPO during the period from 1 April 2021 to 31 March 2022.

### TRUST DEED

During the period from 1 April 2021 to 31 March 2022, GMT’s Trust Deed was not amended.

GMT’s Trust Deed is available on the Corporate Governance section of the Goodman Property Trust website at [www.goodman.com/nz](http://www.goodman.com/nz). It is also available on the Disclose Register accessible on the Companies Office website (<https://www.companiesoffice.govt.nz/disclose>).

### RELATED PARTY TRANSACTIONS

During the period from 1 April 2021 to 31 March 2022 there was no change to the nature and scale of related party transactions.

There were no related party transactions entered into during the period from 1 April 2021 to 31 March 2022 that were not on arm’s-length terms.

Further details of the related party fees paid by GMT to GNZ and Goodman Property Services (NZ) Limited (“GPSNZ”) can be found in the financial statements for GMT which have been lodged with the Registrar.

During the period from 1 April 2021 to 31 March 2022 there were no material changes to:

- (a) “terms of offer”; and
- (b) “valuation and pricing methodologies” in relation to GMT.

## Financial condition and performance of the Scheme

GMT is benefiting from a growing digital economy and sustained demand for warehouse and logistics space close to consumers.

### Highlights include:

- + Statutory profit of \$763.8 million before tax (including fair value gains of \$660.4 million from property valuations), up 17.7% on FY21.
- + 22.6% increase in net tangible assets, from 212.5 cents per unit at 31 March 2021, to 260.6 cents per unit at 31 March 2022.
- + Operating earnings<sup>1</sup> of \$118.3 million before tax, an increase of 3.0% from FY21.
- + Cash earnings<sup>2</sup> of 6.66 cents per unit and cash distributions of 5.50 cents per unit, reflecting a payout ratio of 82.6%.
- + New capital management initiatives, with further wholesale bond issuance and the launch of a Sustainable Finance Framework supporting GMT's first green bond issue in April 2022.
- + Substantial balance sheet capacity, with a loan to value ratio<sup>3</sup> of 21.3% at 31 March 2022.
- + A heightened level of development activity with \$300.2 million of new projects and \$426.0 million of work in progress (total project cost).
- + \$299.9 million of complementary acquisitions<sup>4</sup>, with the purchase of properties in Albany, Māngere, Mt Wellington, Ōtāhuhu and Penrose.
- + Over 265,000 sqm of new leasing (around 25% of the portfolio), with an average occupancy rate across the portfolio of 99.4% during the year.

As at 31 March 2022 the Scheme had total current assets of \$9.6 million, total noncurrent assets of \$4,804.7 million and total liabilities of \$1,156.9 million (net assets of \$3,657.4 million).

Total comprehensive income for the 12 month period to 31 March 2022 was \$748.6 million, and total distributions relating to the period to Unitholders were \$76.1 million, representing 5.45 cents per Unit.

Total comprehensive income for the 12 month period to 31 March 2021 was \$631.7 million, and total distributions relating to the period to Unitholders were \$78.3 million, representing 5.64 cents per Unit.

Total distributions of around 5.9 cents per Unit are expected to be paid for the 12 month period to 31 March 2023.

You can find a copy of the Scheme's financial statements, including information on distributions made by the Scheme on the Disclose Register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH11225.

Further information on the financial result is provided in GMT's Annual Report at:

[www.goodmanreport.co.nz](http://www.goodmanreport.co.nz)

<sup>1</sup> Operating earnings is 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.

<sup>2</sup> Cash earnings is a non-GAAP financial measure that assesses underlying cashflows, on a per unit basis, after adjusting for certain items. The calculation is set out on page 48 of GMT's Annual Report 2022.

<sup>3</sup> 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.

<sup>4</sup> Includes post balance date property acquisition.

## Fees

The following fees and expenses were charged in respect of the Scheme in dollars and as a percentage of the Scheme's net assets for the 12 month period to 31 March 2022.

Fees and Expenses Description	Value (\$ million)	% of Scheme's net assets <sup>1</sup>
Valuation fees	0.9	0.02
Trustee fees	0.5	0.01
Auditor's fees	0.3	0.01
Other costs	1.5	0.04
<b>Fees/expenses charged by other persons</b>	<b>3.2</b>	<b>0.09</b>
Manager's base fee	17.0	0.46
Manager's performance fee <sup>2</sup>	15.7	0.43
Property management fees	3.6	0.10
Leasing fees	2.8	0.08
Acquisition and disposal fees	2.4	0.07
Minor project fees	0.6	0.02
Development management fees	5.9	0.16
<b>Fees charged by the Manager and its associated persons</b>	<b>48.0</b>	<b>1.31</b>
<b>Total Fees and Expenses</b>	<b>51.2</b>	<b>1.40</b>

<sup>1</sup> The net assets of the Scheme as at 31 March 2022 were \$3,657.4 million.

<sup>2</sup> Used to subscribe for new Units in accordance with the provisions of GMT's Trust Deed.

## Fees (continued)

### 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.

### 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. The issue price for these units is equal to the higher of market price and the net asset value per Unit.

At 31 March 2022 there was a \$9.0 million carry forward (2021: \$nil carry forward) to include in the calculation to determine whether a performance fee is payable in future periods.

### 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.

### 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 to GPSNZ for services provided to manage capital expenditure projects for stabilised properties.

### DEVELOPMENT MANAGEMENT FEES

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

### REIMBURSEMENT OF EXPENSES FOR SERVICES PROVIDED

Certain services are provided by GPSNZ in lieu of using external providers. Fees and expenses can only be charged to GMT by the Manager and GPSNZ in accordance with the terms of the service arrangements and/or the GMT Trust Deed.

Any change to the service arrangements and the GMT Trust Deed requires the approval of the Supervisor (or in certain circumstances, Unitholders) and would be advised to Unitholders via the NZX.

For more information in respect to the Fees, please refer to the Scheme's financial statements, on the Disclose Register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH11225.

A summary of the fees payable can be found in the corporate governance section of the GMT website, [www.goodman.com/nz](http://www.goodman.com/nz).

## Fees (continued)

### CHANGES TO FEES AND EXPENSES

Fees and expenses charged by unrelated third parties for valuation, trustee, audit and other services are charged at a market rate and subject to change as contracts are renewed or changed.

The calculation of the Manager's base fee and performance fee are set out on page 6. This fee structure has been previously approved by Unitholders and can only be amended with Unitholder approval.

Property services fees, including property management fees, leasing fees, acquisition and disposal fees, minor project fees and development management fees are charged in accordance with the terms of contracts agreed with the Manager's Independent Directors and approved by GMT's external trustee and supervisor, Covenant Trustee Services Limited. The tenor of these contracts varies

depending on the services provided but any new contract requires the approval of GMT's external trustee and, if the quantum of the fees payable under that contract exceed the threshold in the NZX Listing Rules, the Unitholders of GMT.

In order to ensure that all fees are set at appropriate levels, the Independent Directors of the Manager arrange for the fees to be reviewed biennially by an independent third party.

## Scheme property

The table below summarises the assets of the Scheme which, it is extracted from the balance sheet as at 31 March 2021 and 31 March 2022:

\$ million	2022	2021
<b>Non-current assets</b>		
Investment property	4,773.2	3,789.3
Other assets	1.1	-
Derivative financial instruments	30.4	30.3
<b>Total non-current assets</b>	<b>4,804.7</b>	<b>3,819.6</b>
<b>Current assets</b>		
Debtors and other assets	5.5	8.9
Derivative financial instruments	0.5	-
Cash	3.6	3.0
<b>Total current assets</b>	<b>9.6</b>	<b>11.9</b>
<b>Total assets</b>	<b>4,814.3</b>	<b>3,831.5</b>



## Changes to persons involved in the Scheme

During the accounting period, James Earl Douglas ceased to be a director of the Supervisor on 30 November 2021.

There have been no other changes to persons involved in the Scheme during the accounting period.

## How to find further information

Copies of documents relating to the Scheme, such as the Trust Deed, SIPO and the annual financial statements are available on the Disclose Register at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose), scheme number SCH11225.

You have the right, free of charge and during normal office hours, to inspect that part of the Unit register that relates to your Units on giving 5 working days' notice to the Manager.

You also have the right, free of charge, on giving 5 working days' notice to the Manager and during normal office hours, to inspect a copy of the Trust Deed, SIPO and annual financial statements at the Manager's registered office, which is located at Level 2, 18 Viaduct Harbour Avenue, Auckland 1010.

Alternatively, you can obtain a copy free of charge by writing to us at PO Box 90940, Auckland 1142.

## Contact details and complaints

### MANAGER

#### **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](mailto:info-nz@goodman.com)  
Website: [www.goodman.com/nz](http://www.goodman.com/nz)

### HELPLINE

The Manager has a dedicated toll free number, 0800 000 656 (+64 9 375 6073 from outside New Zealand), which will connect Unitholders directly with the investor relations team who will assist with any queries.

### TRUSTEE AND SUPERVISOR

#### **Covenant Trustee Services Limited**

Level 6, Crombie Lockwood Building  
191 Queen Street  
PO Box 4243  
Auckland 1140

Telephone: +64 9 302 0638

## 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](mailto:enquiry@computershare.co.nz)

## COMPLAINTS

Complaints may be made to the Manager  
or Supervisor.

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).

## FINANCIAL DISPUTE RESOLUTION

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](mailto:enquiries@fdr.org.nz)

There will be no fee charged to any complainant in connection  
with an investigation.



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