



Goodman Property Trust (“Trust”)

Statement of Investment Policies and Objectives

Description of the Trust

The Trust is managed by Goodman (NZ) Limited (“Manager”).

The Trust's investment policy is to invest within New Zealand to create and maintain a diversified portfolio of high quality, well tenanted, industrial and business space properties.

Investment objectives

The Manager's investment objective is to provide unit holders with an attractive and reliable income stream, while maintaining and enhancing the quality of its property portfolio through active management.

The Manager intends to:

- + increase the net asset value of the Trust, and as a consequence, increase the value of units held by unit holders; and
- + increase the distributions paid to unit holders, and the sustainability of the Trust's earnings, so that the returns paid to investors are maintained.

Asset allocation

The Manager generally invests in the industrial and business space property market, and other investments related to this market. This market includes (but is not limited to) warehouses/distribution centres, industrial estates, business parks, office parks, and related investments.

Because the Manager invests in the industrial and business space property market depending on the opportunities available to the Manager at any given time, and may make investments outside that market, there are no limits on the nature or types of investments that may be made.

Generally, the Manager will aim to invest no more than 10% of the Trust's gross asset value in development land. However, the Manager may invest more than 10% of the Trust's gross asset value in development land from time to time depending on the development opportunities available to the Manager.

There are no limits on the proportion of each type of asset that the Manager may invest in (ie the Manager may invest 100% of the Trust's assets in any one of the above examples of the industrial and business space property market, or another market).

Investment philosophy

The Manager will leverage its experience, together with the Trust's size and expected access to low cost capital, with a view to maximising income and capital growth for the benefit of unit holders. It will also provide a full service management team dedicated to delivering stable earnings and an attractive long term growth profile.

Expansion opportunities

The Manager will actively pursue expansion opportunities for the Trust in New Zealand's key industrial and business space property markets by way of strategic

acquisitions and development opportunities. The Manager will consider acquisition opportunities for stabilised properties if they:

- + enhance the Trust's earnings per unit;
- + offer secure and growing income based on customer creditworthiness;
- + enhance the weighted average lease expiry profile of the Trust; and
- + have the potential for capital growth.

Redevelopment and refurbishment

The ongoing redevelopment and refurbishment of the existing portfolio should ensure that the Trust's investments maintain their attractiveness to customers, and maximise the opportunities to retain existing and attract new customers. This strategy will ensure the Trust's portfolio meets the ongoing and changing needs of its customer base, while maximising returns to unitholders.

Development pipeline

A key component of the Trust's growth profile is its development pipeline. The focus of the development pipeline is to ensure that the Trust can meet the property needs of its customer base as their businesses expand.

The Manager will seek to mitigate the traditional risk associated with property development by adopting the following criteria:

- + In the majority of instances development will only be undertaken where a substantial pre commitment has been secured.
- + Uncommitted developments will only be undertaken in situations where the anticipated return justifies the additional risk.
- + Only building and construction firms with a strong and proven track record in similar projects will be engaged to complete works.
- + It will be the Manager's preference to adopt fixed price or guaranteed maximum price building contracts to mitigate the Trust's exposure to escalations in construction costs during the term of a project.

Active asset management

While acquisitions and developments are an important part of the Trust's business, the Manager will focus primarily on the active asset management of the existing portfolio. The Manager will seek to add value to the portfolio by improving property management and tenancy profiles, renegotiating leases and undertaking refurbishment and/or upgrade programmes. The Trust's properties will be managed with a view to maximising net income and capital growth, which will be achieved through planned lease expiry, rent review and, where appropriate, refurbishment strategies.

The Manager will also actively manage the Trust's finances by ensuring that the Trust's income, expenses and balance sheet are managed in such a way as to maximise returns to unit holders. The manager will actively manage the Trust's financing arrangements to ensure diversity of funding sources for the Trust, and will also procure that the Trust enters into any derivative financial instruments necessary to manage the Trust's interest rate and foreign currency exposures whilst at all times in accordance with the restrictions in the Trust's Trust Deed, including but not limited to maintaining a loan to value ratio of no greater than 50% (as more specifically described in the Trust's Trust Deed).

Investment strategy review

The Manager will review this Statement of Investment Policy and Objectives ("SIPO") annually. The SIPO review will be part of the annual business planning and budgeting review conducted by the Manager's board of directors ("Board") each May. During this review, the Board will:

- + consider the net asset value, unit price, and rent earnings of the Trust, and whether the investment strategy in the SIPO is achieving its purpose;
- + seek the input of the Manager's management team on the SIPO (as well as other policies) during the annual review; and
- + at least every two years, seek the advice of external legal counsel about whether the SIPO (and other governance documents) comply with legal and regulatory obligations.

Whenever the Manager proposes to change the SIPO, it will consult with the supervisor of the Trust. Any changes to the SIPO require the agreement of the Board and the supervisor of the Trust.