

26 July 2022

Evergreen Retirement Trust – Members Update

Financial Markets Conduct (Evergreen Retirement Trust) Exemption Notice 2021

This update is prepared in compliance with the Financial Markets Conduct (Evergreen Retirement Trust) Exemption Notice 2021 (**Exemption Notice**) issued by the Financial Markets Authority (**FMA**) on 22 April 2021. The Exemption Notice exempts The New Zealand Guardian Trust Company Limited (NZGT/ Trustee/ **Manager**) as Manager of the Evergreen Retirement Trust (**Scheme**) from the requirement to ensure that:

- an annual report is prepared for the Scheme, as required under regulation 62 of the Financial Markets Conduct Regulations 2014 (**Regulations**);
- the financial statements for the Scheme are dated and signed on behalf of the manager by two directors of the Manager or, if the Manager has only one director, by that director, as required under section 461A(3)(c) of the Financial Markets Conduct Act 2013 (**Act**);
- the Scheme's financial statements are audited by a qualified auditor, as required under section 461D of the Act.

A copy of the Exemption Notice can be found on the Scheme website evergreentrust.co.nz/documents or can be requested by contacting us at the address below.

Material changes to the Scheme

The unaudited statement of net assets available for members benefits at 31 March 2022 is below. This shows the changes to the value of Scheme property in the financial year to 31 March 2022.

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Members' Funds	65,370	317,917	684,924	1,280,347	750,294	1,598,264
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Assets						
Cash and cash equivalents	11,870	2,771	24,512	5,960	36,382	8,731
Trade and other receivables	579,252	664,801	1,171,277	1,386,853	1,750,529	2,051,654
Financial assets at net realisable value	3,784	60,478	529,471	552,981	533,255	613,459
Unit holder attributed taxation receivable	275	275	-	-	275	275
Total Assets	595,181	728,325	1,725,260	1,945,794	2,320,441	2,674,119
Liabilities						
Trade and other payables	526,480	407,451	996,554	623,095	1,523,034	1,030,546
Trade and other payables to related parties	2,794	2,957	10,310	14,369	13,104	17,326
Financial liabilities at net realisable value	537	-	33,472	27,983	34,009	27,983
Total Liabilities	529,811	410,408	1,040,336	665,447	1,570,147	1,075,855
Net Assets Attributable to Members	65,370	317,917	684,924	1,280,347	750,294	1,598,264

The assets of the Scheme are held by the Scheme custodian - Trustee Executors Limited. The custodian holds the Scheme property on trust for the Scheme. There has been no change to the custodial arrangement during the financial year.

Financial Statements

The 31 March 2022 Scheme financial statements have been lodged with the Registrar. A copy of the Scheme financial statements can be obtained by searching the Disclose Register at disclose-register.companiesoffice.govt.nz/, selecting 'Search for a Scheme' and entering Evergreen Retirement Trust, or from the Scheme website at evergreentrust.co.nz/, or by contacting using the contact details at the foot of this update.

Unit pricing and Scheme costs

A unit price has been struck as at 31 March 2022, and updated member statements can be accessed via the member portal by following the link from the Scheme website evergreentrust.co.nz/.

Fund	31 March 2022	31 March 2021
Absolute Growth Fund	0.5793	0.8437
Income Plus Fund	0.2839	0.3227

Investment update

At 31 March 2022 the Scheme continues to hold two illiquid investments:

- GDI No 36 Perth CBD Office Trust (**Perth GDI Trust**) – this investment is held by the Income Plus fund only.
- EnTrust Global Select Opportunities II Ltd. - L2017 AQ USD (formerly Permal Select Opportunities II AQ Fund) (**Permal Fund**) – this investment is held by both the Absolute Growth fund and the Income Plus fund.

During the year the Trustee, Manager and Evergreen Capital Partners Limited (**ECP**) (the administration and investment manager for the Scheme), have explored options to realise the illiquid investments through the secondary market. The Manager and ECP have also been in discussion with the underlying manager of the Perth GDI Trust, with a view to achieving preferential liquidity treatment for the Scheme. ECP anticipate receiving terms of a redemption from the underlying manager of the Perth GDI Trust within the coming months.

We continue to explore options to realise the investments at a value which is in the best interests of members, however, as the investments are illiquid there are limited options to complete a realisation in advance of redemption distributions being paid by the underlying funds.

Perth GDI Trust update

The Scheme continues to hold an investment in the Perth GDI Trust. Previously, the Perth GDI Trust was extended to 30 June 2022 and GDI Investment Management have taken the decision not to extend the trust further. The Perth GDI Trust has terminated and will be wound up as soon as practicable. The Perth GDI Trust holds a single property investment, which the underlying manager has advised they intend to place on the market once the occupancy levels improve. There is currently a 34% vacancy rate. Covid-19 lockdowns and an increase in work from home practices

mean there has been a decrease in demand for Perth office space over the last two years, although some recovery in demand is starting to occur. The GDI Investment Manager remains optimistic that they will be able to secure new tenants; the timing for this remains unknown.

We have obtained indicative offers for the units held in the Perth GDI Trust, from secondary market traders. Our assessment of the offers noted the terms as unsatisfactory for members.

As stated above, we are also in discussion with the manager of the Perth GDI Trust to create preferential liquidity for the Scheme, enabling it to liquidate current holdings. The underlying manager has advised that they are attempting to provide liquidity options to the Scheme. We are actively reviewing available offers to ensure that the given terms would be beneficial to members. At the date of writing this update discussion are on going and a firm offer has not been received by the Trustee and ECP.

Permal Fund update

The Permal Fund is being liquidated by the underlying manager, EnTrust, and the Scheme receives redemption payments when liquidity is available within the Permal Fund and the underlying manager declares a distribution. The underlying manager of the Permal Fund had indicated very limited liquidity would be available during the 2022 year, however, at 31 March 2022 a distribution was announced totalling US\$ 45,795, being 22.91% of the units held by the Scheme when the wind-up was announced. The Scheme has received redemptions to date totalling 95.73% of the units held when the Scheme wind-up was announced and continues to hold 11.94 units valued at approximately USD 7,500 at the date of this update. EnTrust has forecast further redemption payments in 2023, however, these are not guaranteed.

If the investment holding in the Perth GDI Trust can be realised in the 3 quarter of 2022, given the size and value of the Permal Fund holding, the Trustee and ECP we will seek to sell any remaining units held in the Permal Fund on the secondary market to enable final wind-up of the Scheme.

Distributions

First interim distribution

During the 2021/2022 financial year, for members who provided the Scheme with a completed Member Nomination Form and correctly certified proof of identity and address, the Scheme paid out further first interim distribution funds totalling GBP176,354.49. Subsequent to 31 March 2022, a further GBP73,830.86 has been paid out, leaving 83 members unpaid first interim distribution funds totalling GBP696,079.59 at the date of this update.

Second interim distribution

The Trustee declared a second interim distribution on the 21 March 2022 totalling GBP644,500. The second interim distribution is accounted for in the 2021/2022 financial year. As at the date of this update, members have been paid GBP541,092.97 leaving 87 members unpaid second interim distribution funds totalling GBP103,407.22.

Wind-up distribution

Currently, we are unable to confirm a date for the wind up of the Scheme and the final distribution of the remaining Scheme assets. Once the remaining illiquid investments, detailed above, are realised, the Trustee and ECP will formalise the timing to complete the wind-up of the Scheme. Members will be notified of the timing once this process has been completed.

CONTACT DETAILS AND COMPLAINTS

Requests for information and/or complaints can be sent to:

ADMINISTRATION & INVESTMENT MANAGER

Evergreen Capital Partners Limited by post or by email at:

Postal: PO Box 317, Christchurch 8140. New Zealand.

Email: transfers@evergreentrust.co.nz

Tel: + 64 4 974 5145

MANAGER AND TRUSTEE

The New Zealand Guardian Trust Company Limited

Relationship Manager – Evergreen Retirement Trust

PO Box 274, Shortland Street Auckland 1140

Email: ct-auckland@nzgt.co.nz

Tel: +64 9 909 5100

Complaints can be made to NZGT or ECP at the addresses above. NZGT and ECP are members of an independent dispute resolution scheme operated by Financial Services Complaints Limited (**FSCL**) and approved by the Ministry of Consumer Affairs. NZGT or Evergreen Capital Partners Limited (as applicable) has 40 working days to respond to your complaint. If you are not satisfied by the response, you may refer the matter to FSCL.

Financial Services Complaints Limited

Level 4, 101 Lambton Quay

Wellington 6011

PO Box 5967

Wellington 6140

Email: complaints@fscl.org.nz

Tel: 0800 347 257, Overseas +64 4 472 3725

You won't be charged a fee for investigating or resolving a complaint.

Regards,

The Evergreen Team

EVERGREEN RETIREMENT TRUST

Delivery: Level 1, North Lobby, Awly Building, 293 Durham Street, Christchurch 8013

Registered Office: Level 1, North Lobby, Awly Building, 293 Durham Street, Christchurch 8013

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