



**Stockland**

**Stockland Capital Partners Limited**

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[www.stockland.com.au/invest-or-centre/unlisted-property-funds](http://www.stockland.com.au/invest-or-centre/unlisted-property-funds)

6 November 2019

Dear Investor,

**STOCKLAND DIRECT RETAIL TRUST NO.1 (SDRT1 OR THE TRUST) - UPDATE**

We refer to your investment in the Trust and wish to update you on the sale of Tamworth Homespace following our investment report for the half year ended 30 June 2019 provided to investors on 27 September 2019.

We are pleased to report that the sale of Tamworth Homespace settled on 31 October 2019 for a gross sale price of \$15.022 million which resulted in a net sale price of \$14.1 million after adjustments for outstanding incentives, committed lessor works and rental guarantees. This is consistent with the Trust's financial report for the year ended 30 June 2019 and the Trust's investment report for the half year ended 30 June 2019.

The proceeds from the sale, after the deduction of disposal costs, have been used to repay \$13.83 million of Trust debt resulting in Trust debt decreasing to \$5.52 million.

Following the sale of the Trust's properties to date, future distributions will be dependent on the Trust's ability to meet its ongoing obligations including any vendor warranties or retention amounts that, in line with normal market practice, are negotiated as part of the sale of the properties.

As communicated to investors in our last investment report, we are awaiting execution of the documentation relating to the agreed extension of Coles' lease at Benowa Gardens. We intend to commence a marketing campaign for the sale of Benowa Gardens as soon as practicable after the documentation has been executed. We will provide a further update in due course.

If you have any questions or require further information, please do not hesitate to contact me on +61 2 9035 3120 or email [paul.wyatt@stockland.com.au](mailto:paul.wyatt@stockland.com.au).

Yours sincerely,

**Paul Wyatt**

Senior Funds Manager, Stockland Capital Partners Limited