



Stockland Direct Office Trust No. 2
ARSN 115 017 466
Responsible Entity
Stockland Capital Partners Limited
ABN: 86 078 081 722
AFSL: 241188

Unlisted Property Funds

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Dear Investor,

STOCKLAND DIRECT OFFICE NO. 2 TRUST (the TRUST) INVESTMENT UPDATE

We are pleased to provide you with an update on your investment in the Trust at 31 December 2014.

The Trust's Net Tangible Assets (NTA) at 31 December 2014 was 12.64 cents per unit reflecting the sale of the Trust's interest in the Optus Centre and the subsequent returns of capital included in the distributions paid to investors on 28 February 2014 and 31 October 2014.

As reported previously, the Trust has retained \$10 million (11.65 cents per unit) to support warranties provided to the purchaser of the Trust's interest in the Optus Centre as required by the sale contract. Warranty provisions of this nature are standard industry practice for large commercial transactions. The latest date for receiving claims pursuant to the warranty is 30 April 2015. No claims on the warranties provided have been received to date.

Assuming that there are no disputed warranty claims, we anticipate that an interim distribution will be paid to investors in May 2015. A final distribution will be paid after finalising the payment of all wind up costs incurred by the Trust. The amount of the final distribution will be determined after allowance for any warranty claims, post completion adjustments, interest income accrued to termination of the Trust, wind up costs and any other obligations of the Trust. Following payment of the final distribution, the Trust is expected to be wound up shortly thereafter.

We will provide a further update on the Trust shortly after expiry of the warranty period on 30 April 2015. Please contact me on (02) 9035 3120 should you have any queries in the meantime.

Yours sincerely,

Paul Wyatt
Fund Manager, Unlisted Property Funds