

## Unlisted Property Funds

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Dear Investor,

### **Stockland Direct Office Trust No.3 and Stockland Holding Trust No.2 (SDOT3) - Final Distribution**

Investors will recall that at a meeting of unitholders held on 30th April 2012, a resolution was passed to:

- sell all of the properties of SDOT3; and
- after the conclusion of the sale of the final property, terminate and wind up SDOT3.

At the time of the meeting of unitholders in 2012 it was anticipated that some delays may be incurred in finalising the sale of all the properties.

In accordance with the resolution referred to above, and as previously advised, all of the real estate assets of SDOT3 have been sold at prices in aggregate above the most recent independent valuations at time of sale.

When we last wrote to you on 20th December 2013, we advised that we were still recovering monies owed to SDOT3 and we were seeking to maximise your final distribution. That process is now finalised.

The final distribution payable to unitholders has been determined at 6.325 cents per unit, comprising a return of capital of 2.599 cents per unit and a tax deferred income distribution of 3.726 cents per unit (Final Distribution).

The Final Distribution has been paid to you in accordance with your instructions and we have enclosed a statement setting out the amount paid to you.

As a consequence of the Final Distribution payment, your units will be redeemed and SDOT3 will be wound up. There will be no further action required by you in relation to your unitholding in SDOT3.

### What is the Capital Gains Tax (CGT) Position Following Payment of the Final Distribution?

Investors who contributed \$1.00 per unit, and have held their investment since the inception of SDOT3, have received tax deferred distributions of 20.996 cents per unit (including the 3.726 cents paid today). The tax deferred distributions have reduced the cost base of the units to 79.004 cents.

The total capital returned to unitholders, is 60.094 cents per unit and as such investors will incur a capital loss of 18.91 cents per unit.

As an example, an investment of \$10,000 results in the following CGT position following payment of the Final Distribution:

Capital invested/cost base at inception	\$10,000
less tax deferred distributions	\$2,100
Adjusted cost base	\$7,900
less capital returns (June '13, Oct '13 and Jan '14)	\$6,009
<b>Loss for CGT purposes</b>	<b>\$1,891</b>

Your individual tax statement will be posted to you in due course.

We strongly recommend that you seek advice from your tax advisor regarding your particular circumstances.

Should you have any queries, please contact me on (02) 9035 3051, or visit our website [www.stockland.com.au/unlistedpropertyfunds](http://www.stockland.com.au/unlistedpropertyfunds).

Yours sincerely,



**Stuart Keighran**  
Senior Fund Manager  
Stockland Capital Partners Limited