



Stockland Direct Office Trust No. 3
ARSN 124 439 925
Stockland Holding Trust No. 2
ARSN 132 129 134
Responsible Entity
Stockland Capital Partners Limited
ABN 86 078 081 722
AFSL: 241188

Unlisted Property Funds

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28 February 2013

Dear Investor,

Stockland Direct Office Trust No.3 and Stockland Holding Trust No.2 (SDOT3 or the Trust)

I refer to your investment in SDOT3 and wish to provide you with an update in relation to the distribution for the quarter ending 31 December 2012 and the asset sale process.

Sale of SDOT3 Properties

The sale and marketing campaign for the remaining SDOT3 properties commenced in July 2012. Colliers International and Savills were appointed to sell the assets via an open market campaign. We are pleased to advise, since the last update, we have sold and settled three of the properties being 222 Russell Street, 75 George Street, and 181 Great Eastern Highway. The single remaining property at 541 St Kilda Road is under conditional contract. Subject to a successful capital raising by the purchaser, the sale is due to reach unconditional exchange and settlement in the next few months.

Following completion of the sale of 541 St Kilda Road and upon expiry of the retention periods relating to each property, the trust will be wound up and terminated. At this stage we are unable to confirm the timing of the wind up and termination.

Distributions

The net proceeds from the sale of the properties was used to repay the loan facility with ANZ. The debt facility was fully repaid on 30 January 2013. As a result however, there will be no distribution paid for the quarter ending 31 December 2012.

As mentioned above, the last remaining property in the Trust is under conditional contract and, subject to the successful completion of this sale, the Responsible Entity will assess the ability of the Trust to make a distribution, in the form of a return of capital, prior to 30 June 2013.

Please refer to the enclosed SDOT3 Investment Report for more detail on the property sales and trust strategy.

If you wish to discuss any aspect of this letter, or have any additional queries, please contact me on (02) 9035 2927 or our Client Relations Manager Janine Seeto on (02) 9035 2491.

Yours faithfully,

Cathy Ciurlino
Fund Manager
Stockland Capital Partners Limited

