



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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MR SAM SAMPLE
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123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

2 November 2012

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 regarding the marketing campaign for the properties and the distribution for the September 2012 quarter.

Sale and Marketing Campaign

We are pleased to advise that the car park building at 222 Russell Street, Melbourne has sold and settled for \$16,880,000, which is 20.6% above the last independent valuation as at 31 December 2011 of \$14,000,000.

A shortlist of potential buyers has been determined to undertake due diligence for the remaining three properties at 181 Great Eastern Highway, 541 St Kilda Road and 75 George Street. The parties undertaking due diligence are predominantly local fund managers. SCPL will continue to work cooperatively with these parties to achieve the best possible outcome for you as an investor in the Trust. We will continue to provide further updates as the marketing campaign progresses.

September 2012 Quarter Distribution

As previously communicated, we will continue to monitor the operating income and future expenditure requirements and assess the ability for SDOT3 to pay distributions at the end of each quarter. As a result of the marketing campaign, the Responsible Entity (RE) of SDOT3, has determined it would be prudent to retain cash reserves prior to paying distributions to be able to fund the forecast disposal costs. In addition, it is a requirement of our debt provider that proceeds from the sale of the properties be used to repay the debt prior to distributions being paid to investors.

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