

Stockland Capital Partners Limited

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29 February 2016

Dear Investor,

STOCKLAND DIRECT RETAIL TRUST NO. 1 (SDRT1) - NOTICE FOR SECTION 12-395 OF TAX ADMINISTRATION ACT DISTRIBUTION FOR QUARTER ENDED 31 DECEMBER 2015

The following provides details of the components of SDRT1's distribution for tax purposes for the quarter ended 31 December 2015. The distribution rate is 1.8540 cents per unit.

These components are provided solely for the purposes of Subdivision 12-H of the Taxation Administration Act 1953 (Cth), and should not be used for any other purpose.

Component	Cents per Unit
Interest	-
Subject to dividend withholding tax	-
Other amounts subject to withholding tax under Subdivision 12-H	1.8540

The distribution includes a "funds payment" (pursuant to Subdivision 12-H of the Taxation Administration Act 1953 (Cth)) of 1.8540 cents per unit in respect of the year ended 30 June 2016.

Any difference between the total trust distribution and the components listed in the table above represent amounts in relation to tax deferred distributions.

Investors should not rely on this notice for the purposes of completing their income tax returns. Details of the full year components of distributions will be provided in the annual tax statement which will be provided to investors on or about 31 August 2016.

Please contact Peter Sakellaropoulos on (02) 9035 2000 should you have any queries.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P. Wyatt".

Paul Wyatt
Senior Fund Manager, Unlisted Property Funds