



September 4, 2020

Message from Management

Considering the uncertainty from COVID-19, Management is satisfied with the Q2 outcomes. For our residential properties, we are pleased that vacancy rates are currently at 1.2%, lower than our 2% goal, with minimal deferrals. The majority of our commercial assets are performing well, with the exception of retail tenant properties, in respect of which we are currently submitting applications for Canada Emergency Commercial Rent Assistance (CECRA) funding.

Although the duration of this pandemic is currently unknown, Management has confidence in the quality of our underlying assets, the processes that are in place, and, above all, in the fundamentals of investing on Vancouver Island.

To this effect, Management is shifting from a more defensive stance to a more growth oriented position. When long term interest rates dropped, Management took advantage of the situation by raising debt on unencumbered assets while also generating cash on refinancing at underwriting rates below 2%. Management believes that locking in these rates for 10 years will be accretive to equity returns as the excess cash is deployed.

If you are aware of a larger multi-family acquisition opportunity in the Ladysmith to Campbell River region – let us know

Portfolio Overview - June 30, 2020

- The residential occupancy rate was 96.3% for the year to June, and has increased to 98.8% for August
- Management is working to achieve maximum rent values upon turnover, which may result in a month delay to lease up
- Commercial vacancy was at 14.5%

Capital Update

- An equity raise of \$3.0M closed mid-June 2020
- Net proceeds are expected to be used to acquire additional properties, as opportunities arise
- To date, an average blended 10-year CMHC secured underwriting rate of 1.97% on \$7,792,200 of debt raised and refinanced
- Management is in the process of raising around \$4.0 million in additional debt against unencumbered assets at more favourable rates

July Rent Collection

- Less than 1% of residential rents are outstanding due to deferrals
- Management remains positive about the continued stability of our residential tenant base
- Rent was received for all of AIE REIT's 14 commercial tenants in July

Unitholder Distributions

- A quarterly distribution of 9.975 cents per Unit was made in July
- The next quarterly distribution is expected to be made in October for all unitholders on record September 30, 2020

\$13.30 NAV per Unit	3% Annual Distribution										
9.975 ¢ Quarterly Payment Per Unit	Sep. 30 Record Date Mid-Oct. Next Distribution										
NAV											
<table border="1"> <thead> <tr> <th>Year</th> <th>NAV</th> </tr> </thead> <tbody> <tr> <td>Inception</td> <td>\$10.00</td> </tr> <tr> <td>2018</td> <td>\$11.36</td> </tr> <tr> <td>2019</td> <td>\$12.36</td> </tr> <tr> <td>2020</td> <td>\$13.30</td> </tr> </tbody> </table>		Year	NAV	Inception	\$10.00	2018	\$11.36	2019	\$12.36	2020	\$13.30
Year	NAV										
Inception	\$10.00										
2018	\$11.36										
2019	\$12.36										
2020	\$13.30										
44% Loan to Value ⁽¹⁾	\$87M Value of Investment Properties ⁽¹⁾										
\$538k 2nd Quarter Net Income	85% Full Year AFFO Payout Ratio Estimate ⁽²⁾										
Annualized Return⁽³⁾											
1 Year	10.2%										
3 Years	12.5%										
Inception	12.0%										



About All Island Equity REIT

AIE REIT is a diversified real estate investment trust with the primary mandate of owning income producing properties on Vancouver Island with \$87 million of assets in the Comox Valley and Campbell River. The portfolio consists of 405 apartment units and 59,400 square feet of commercial space.

The REIT is a tax-efficient investment vehicle that aims to pay a steady stream of distributions primarily generated through rental income on stabilized real estate assets. In addition to distributions, the value of REIT units is directly linked to the underlying value of the portfolio, which is independently appraised annually.

To contact us and find out more visit: <http://allislandequityreit.com/>

Glossary of Terms

Available Funds from Operation (AFFO): Net Operating Income less General and Administrative Expenses, Net Interest, and Maintenance Capital Expenditure.

AFFO Payout Ratio: Estimated full year AFFO as a percentage of estimated full year distributions made to unitholders.

Inception: AIE REIT was established in May 2017 with the acquisition of a \$65 million portfolio in the Comox Valley, excluding two commercial properties that were sold shortly after completion.

Loan to value (LTV): Aggregate of mortgage balances, net of financing fees, plus outstanding line of credit, divided by carrying value of investment properties, based on IFRS accounting standards.

Management: Management of All Island Equity REIT.

Net Asset Value (NAV): Aggregate value of the trust Property, less the aggregate value of the trust's liabilities, subject to valuation rules set and estimates made by the trust from time to time.

Trust or AIE REIT: All Island Equity REIT, a Real Estate Investment Trust.

(1) As of June 30, 2020.

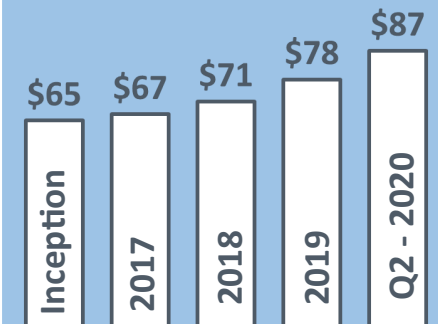
(2) AFFO Payout ratio is a non-IFRS measure used to evaluate the Trust's ability to cover its distributions.

(3) An annualized return based on a single unit investment in the AIE REIT, inclusive of unit price changes and distributions.

Legal Disclaimers

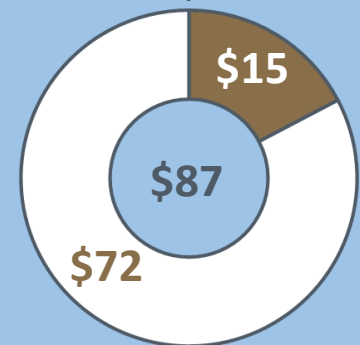
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Investment Property Value (millions)



Portfolio (millions)

Residential | Commercial



**Unaudited Income Statement - June 30, 2020**

	<i>Quarter</i>	<i>Year to Date</i>
Total Operating Revenues	1,575,558	2,990,509
Expenses		
Utilities	97,723	207,620
Real Estate Taxes	168,743	301,317
Maintenance Expenses	85,598	191,963
Insurance	74,349	131,197
Site Staff Wages	109,649	211,409
Property Management Fees	43,916	78,636
Total Operating Expenses	579,979	1,122,142
Net operating income	995,580	1,868,366
Less General & Administrative	140,268	252,712
Earnings Before Interest and Amortization	855,312	1,615,655
Less Mortgage Interest	308,804	589,521
Less Amortization - Financing Cost	17,769	35,537
Net Income	528,739	990,597

Unaudited Balance Sheet - June 30, 2020

Assets	
Current Assets	464,616
Cash and Cash Equivalents	4,713,928
Equipment	-
Properties	87,427,220
Total Assets	92,605,764
Liabilities	
Payables, Accruals and Prepaid Rent	508,487
Security Deposits Held	233,362
Vancity Line of Credit	(4,334)
Mortgages and Loans	38,196,229
Total Liabilities	38,933,744
Owner's Equity	
Net Investor Equity	52,681,423
Current Earnings	990,597
Total Equity	53,672,020
Total Liabilities & Equity	92,605,764