



November 17, 2020

Message from Management

As the new normal sets in, operations have largely stabilized from the uncertainty caused by the COVID-19 pandemic. Residential vacancies that were vacant for longer periods of time due to the pandemic have been filled, while unit turnover has slowed down compared to previous years. Our current vacancy rate of 1.7% is below our target and represents units that are being renovated. All available units have been rented. After losing some commercial tenants earlier in the year, the existing tenant base has remained stable. Management is confident in the processes that were put in place to deal with COVID-19 and remains vigilant as cases in British Columbia are on the rise.

Insurance has been a challenge across the real estate spectrum, and AIE REIT is also affected. Premiums have increased dramatically as certain providers exit the market. These increases in operating costs put pressure on future net operating income growth since annual rental increases are capped and turnovers are down as people move less during the pandemic. Management is focussed on finding creative solutions to this challenge.

Management still believes in the fundamentals of investing in Vancouver Island and is focussing on growing the portfolio by taking advantage of low interest rates and our operational efficiencies in our core markets. **If you are aware of a larger real estate acquisition opportunity in the Ladysmith to Campbell River region – let us know.**

Portfolio Overview - September 30, 2020

- Residential vacancy was 1.7% for September 2020.
- Commercial vacancy was at 14.5% but dropped to 12.1% in November due to a new long-term tenancy that commenced November 1st.

Capital and Acquisition Update

- Management closed a \$4.5M CMHC financing with People's Trust in October at a 10-year fixed rate of 1.69%.
- Our current cash balance is at \$7.6M, earmarked for two acquisitions that are in advanced stages:
 - * \$1.6M commercial building in the Comox Valley
 - * \$7.8M 48-unit multi-family building in Campbell River
- Additional cash will be raised against these assets, allowing for further expansion through accretive purchases.

October Rent Collection

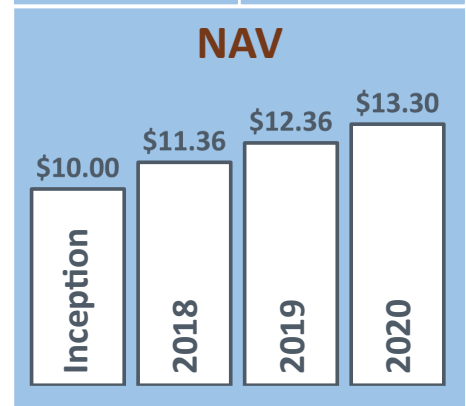
- Less than 1% of residential rents are outstanding due to late payments and/or COVID-19 related deferrals.
- Management remains positive about the continued stability of our residential tenant base.
- Rent was received for all 14 commercial tenants in October.

Unitholder Distributions

- A quarterly distribution of 9.975 cents per Unit was made in October.
- The next quarterly distribution is expected to be made in December, prior to year end, for unitholders on record on December 21, 2020.

\$13.30	3%
NAV per Unit	Annual Distribution

9.975 ¢	Dec. 21
Quarterly Payment Per Unit	Record Date
	Late-Dec.
	Next Distribution



43%	\$87M
Loan to Value ⁽¹⁾	Value of Investment Properties ⁽¹⁾

\$534k	91%
3 rd Quarter Net Income	Full Year AFFO Payout Ratio Estimate ⁽²⁾

Annualized Return⁽³⁾	
1 Year	10.2%
3 Years	12.8%
Inception	11.3%

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.

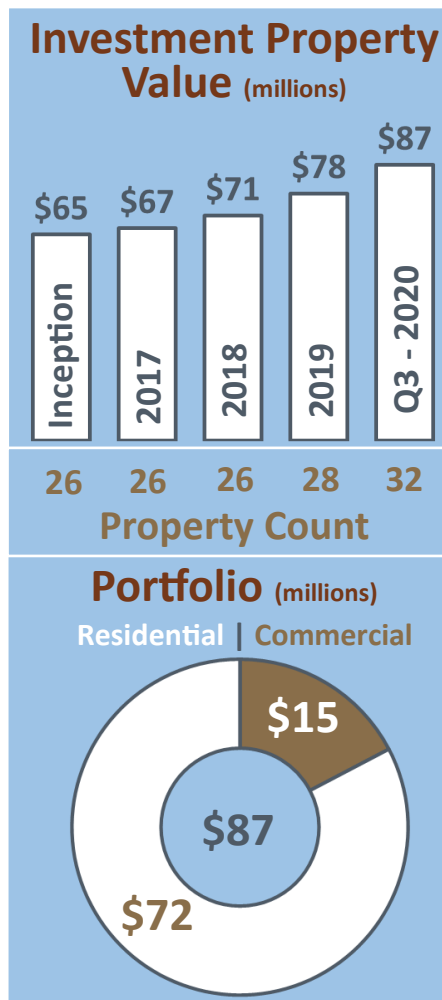
Inception: AIE REIT was established in May 2017 with the acquisition of a \$65 million portfolio in the Comox Valley, excluding two commercial properties that were sold shortly after completion.

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 September 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.

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

	<i>Quarter</i>	<i>Year to Date</i>
Total Operating Revenues	1,618,192	4,608,700
Expenses		
Utilities	117,880	325,500
Real Estate Taxes	159,535	460,852
Maintenance Expenses	63,080	255,043
Insurance	128,429	259,627
Site Staff Wages	124,430	335,840
Property Management Fees	42,866	121,502
Total Operating Expenses	636,221	1,758,363
Net operating income	981,971	2,850,337
Less General & Administrative	119,128	371,840
Earnings Before Interest and Amortization	862,843	2,478,497
Less Mortgage Interest	293,179	882,700
Less Amortization - Financing Cost	35,537	71,074
Net Income	534,126	1,524,723

Unaudited Balance Sheet - September 30, 2020

Assets	
Current Assets	780,297
Cash and Cash Equivalents	3,535,460
Equipment	-
Properties	87,767,333
Total Assets	92,083,090
Liabilities	
Payables, Accruals and Prepaid Rent	(4,413)
Security Deposits Held	253,363
Vancity Line of Credit	(83)
Mortgages and Loans	37,881,526
Total Liabilities	38,130,394
Owner's Equity	
Net Investor Equity	52,427,973
Current Earnings	1,524,723
Total Equity	53,952,696
Total Liabilities & Equity	92,083,090