



May 20, 2021

## Message from Management

After the favourable 2020 results, AIE REIT is focussed on growth in 2021. It was a strong start to the year with two purchases in Campbell River totalling \$9.6M for 59 additional units. The equity portion of these purchases were financed primarily with available cash from 2020 financing initiatives. On May 12, 2021 AIE REIT completed a \$11.4M equity raise through its exclusive agent, Integral Wealth. These funds have been earmarked for two acquisitions, both of which are still pending and subject to AIE REIT's due diligence: The first purchase is for a 33-unit multi-family property in Courtenay. The other is a 75-unit multi-family property in Nanaimo with infill development potential. AIE REIT is pleased to potentially establish a foothold in Nanaimo.

Distributions increased in line with the NAV per unit to 10.77 cents, up from 9.975 cents in 2020. Note that all distributions in 2020 were considered a return of capital, which is advantageous from a tax perspective. This was due to AIE REIT's capital cost allowance exceeding its taxable income – a benefit which is passed through to unitholders.

Management continues to believe in the fundamentals of investing in Vancouver Island and is focusing 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 Duncan to Campbell River region – let us know.**

## Portfolio Overview - March 31, 2021

- Residential vacancy was effectively 0% for the last three months.
- Commercial vacancy was at 8.6% as of March 31, 2021.

## Capital and Acquisition Update

- AIE REIT's cash balance after completing the equity raise is at \$10.5M, with the full \$8M line of credit available.
- The acquisition pipeline is robust including 2 properties under contract:
  - \* 33-unit multi-family building in Courtenay
  - \* 75-unit multi-family building in Nanaimo
- Mortgage financing will be raised on the above mentioned properties.

## May Rent Collection

- Less than 1% of residential rents are outstanding due to late payments and/or COVID-19 related deferrals.
- Rent was received for 17 of 17 commercial tenants in May.

## Unitholder Distributions

- A quarterly distribution of 10.77 cents per Unit was made in April.
- The next quarterly distribution is expected to be made in July, for unitholders on record on June 30, 2021.

<b>\$14.37</b> NAV per Unit	<b>3%</b> Annual Distribution
<b>10.77 ¢</b> Quarterly Payment Per Unit	<b>Jun. 30</b> Record Date <b>Mid-Jul.</b> Next Distribution
<b>NAV</b>	
<b>46%</b> Loan to Value <sup>(1)</sup>	<b>\$104M</b> Value of Investment Properties <sup>(1)</sup>
<b>\$517k</b> Q1 2021 Net Operating Income	<b>85%</b> 2021 AFFO Payout Ratio Estimate <sup>(2)</sup>
<b>Annualized Return<sup>(3)</sup></b>	
1 Year	10.4%
3 Years	10.8%
Inception	12.2%

## 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 \$104 million of assets in the Comox Valley and Campbell River. The portfolio consists of 463 apartment units and 66,953 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.

## Investment Property



## Portfolio (millions)

Residential | Commercial



(1) As of March 31, 2021.

(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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**Unaudited Income Statement - March 31, 2021**

	<i>Year to Date</i>
<b>Total Operating Revenues</b>	<b>1,837,792</b>
<b>Expenses</b>	
Utilities	119,806
Real Estate Taxes	182,612
Maintenance Expenses	117,258
Insurance	170,587
Site Staff Wages	118,906
Property Management Fees	49,615
<b>Total Operating Expenses</b>	<b>758,784</b>
<b>Net operating income</b>	<b>1,079,007</b>
Less General & Administrative	189,775
<b>EBITDA</b>	<b>889,233</b>
Less Mortgage Interest	329,835
Less Amortization - Financing Cost	42,818
<b>Net Income</b>	<b>516,579</b>

**Unaudited Balance Sheet - March 31, 2021**

<b>Assets</b>	
Current Assets	374,129
Cash and Cash Equivalents	2,595,566
Equipment	-
Properties	103,757,106
<b>Total Assets</b>	<b>106,726,801</b>
<b>Liabilities</b>	
Payables, Accruals and Prepaid Rent	483,144
Security Deposits Held	295,400
Vancity Line of Credit	1,738,504
Mortgages and Loans	45,834,266
<b>Total Liabilities</b>	<b>48,351,314</b>
<b>Owner's Equity</b>	
Net Investor Equity	57,858,908
Current Earnings	516,579
<b>Total Equity</b>	<b>58,375,488</b>
<b>Total Liabilities &amp; Equity</b>	<b>106,726,801</b>