

June 23, 2022

Message from Management

Following the significant growth achieved in 2021, Management is focused on strengthening corporate systems to ensure effective management of the portfolio. The portfolio effectively doubled during 2021 and Management is pleased to have expanded our core markets to the Okanagan and Victoria. Our entrance into both markets was well timed given the recent movement in interest rates. Our portfolio is made up of centrally-located properties in six sought after B.C. communities, broadening our access to acquisition opportunities and diversifying our portfolio.

In concert with our 2021 acquisition strategy, Management pursued an aggressive financing strategy that included accelerating select 2022 mortgages to take advantage of interest rates, economies of scale, and to generate some additional capital to redeploy into the acquisition pipeline. As of May 1, 2022, 9.9% of our mortgage debt is due for renewal or to be paid off by the end of Q3 2022, 20.8% of our mortgage debt is due for renewal by November/December 2026, and 69.3% of our mortgage debt is due for renewal between the years of 2028 and 2032. AIE REIT is well positioned to successfully manage the uncertain interest rate market.

Management continues to believe in the fundamentals of investing in our core markets and will continue to grow the portfolio in an accretive manner. Management is taking a more conservative approach in the short-term, considering the recent movement in interest rates. While our acquisition pipeline is still robust with value-add opportunities, we believe that capitalization rates will soon stabilize and possibly increase in the medium-term. Although such movements could adversely affect property values, they present an opportunity to increase yields for those buyers who know their markets well. **If you are aware of a larger real estate acquisition opportunity in the Vancouver Island or Okanagan regions – let us know.**

Portfolio Overview - March 31, 2022

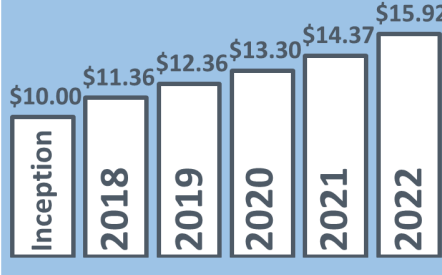
- Residential vacancy was approximately 1.7% for the last three months (60% of vacant suites were due to vacant suites held over from the Okanagan and Victoria acquisitions in late 2021 and the remaining 40% of vacant suites were due to vacant suites held for a month to complete renovations).
- Commercial vacancy was at 11.4% as of March 31, 2022.

Capital Update

- Accelerating a refinancing reduced the interest rate on the loan by an estimated 0.75%.
- Unfortunately, rates have increased substantially and 5 year CMHC financing is currently at around 3.80%, while conventional financings is just above 4.80%
- Instead of refinancing some assets maturing in June, they will be moved to the line of credit, increasing it from \$8 million to \$12 million.

Unitholder Distributions

- A quarterly distribution of 11.94 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, 2022.

\$15.92 NAV per Unit	3% Annual Distribution
11.94¢ Quarterly Payment Per Unit	Jun. 30 Record Date Early-Jul. Next Distribution
NAV per Unit Growth	
	
52% Loan to Value ⁽¹⁾	\$199M Value of Investment Properties ⁽¹⁾
\$1.79M Q1 2022 Net Operating Income	104% 2022 AFFO Payout Ratio Estimate ⁽²⁾
Annualized Return⁽³⁾	
1 Year	12.7%
3 Years	11.1%
Inception	12.3%

About All Island Equity REIT

AIE REIT is a diversified real estate investment trust with the primary mandate of owning income producing properties in British Columbia with \$199 million of assets in Vancouver Island and the interior. The portfolio consists of 830 apartment units and 58,035 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 outstanding mortgage balances, plus amounts drawn on the line of credit, divided by carrying value of investment properties, based on IFRS accounting standards.

Management: Management of All Island Equity REIT.

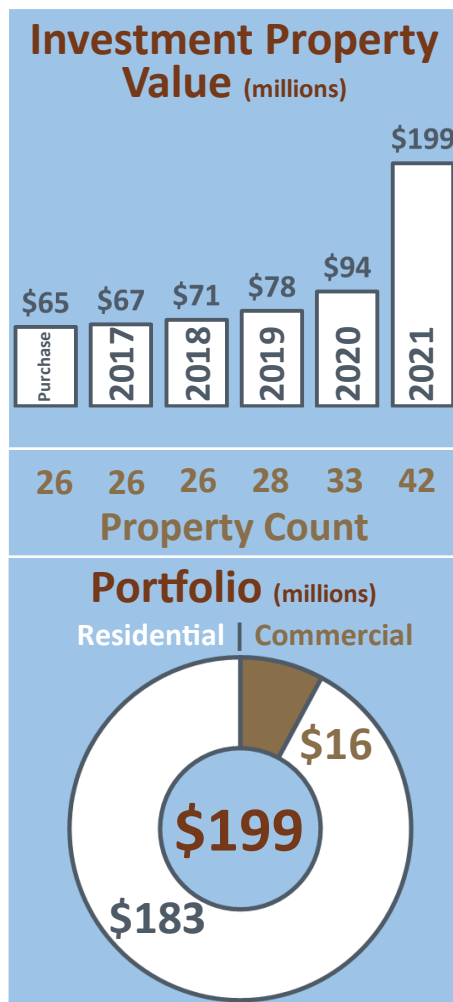
Net Asset Value (NAV): Aggregate value of the trust Property, less the aggregate value of the trust's liabilities, subject to valuation rules set and estimates made by the trust from time to time.

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

- (1) As of March 31, 2022.
- (2) AFFO Payout ratio is a subjective 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

These materials are not to be distributed, reproduced or communicated to a third party without the express written consent of All Island Equity REIT. These materials should be read in conjunction with the Trust's Offering Memorandum dated March 15, 2021 and as amended on August 18, 2021, including the risk factors identified therein. This letter has been provided for general information purposes only and is not intended to be a solicitation to purchase Units of AIE REIT or advice regarding the suitability of the investment for specific investors. This letter contains forward-looking statements. These statements relate to future events or the Trust's views or predictions of possible future performance, operations, acquisitions and strategy based on assumptions and expectations which may not prove to be accurate. Such forward-looking statements involve risks, uncertainties and other factors, including the impact, severity and duration, of COVID-19, which may cause actual results, performance or achievements of AIE REIT to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For more information on these risks and uncertainties, you should refer to the Trust's most recent Offering Memorandum. Any opinions expressed herein are effective as at the date of the letter. Management does not undertake to notify the reader of any subsequent change of circumstance or opinion unless required by law. Past results are not indicative of future performance. There is no assurance that the properties acquired by the Trust will perform as expected. NAV and AFFO are not measures recognized under IFRS and does not have standardized meaning prescribed by IFRS. The Trust's calculation of NAV, AFFO, and Annualize Returns may differ from other REITs and may change from time to time.



**Unaudited Income Statement - March 31, 2022**

	<i>Year to Date</i>
Total Operating Revenues	3,150,093
Expenses	
Utilities	205,623
Real Estate Taxes	233,606
Maintenance Expenses	285,399
Insurance	147,332
Site Staff Wages	211,525
Property Management Fees	278,061
Total Operating Expenses	1,361,546
Net operating income	1,788,547
Less General & Administrative	376,599
EBITDA	1,411,949
Less Mortgage Interest	677,192
Less Amortization - Financing Cost	110,120
Net Income	624,637

Unaudited Balance Sheet - March 31, 2022

Assets	
Current Assets	483,136
Cash and Cash Equivalents	1,628,976
Equipment	
Properties	199,295,789
Total Assets	201,407,902
Liabilities	
Payables, Accruals and Prepaid Rent	748,518
Security Deposits Held	521,230
Vancity Line of Credit	(486)
Mortgages and Loans	102,215,219
Total Liabilities	103,484,481
Owner's Equity	
Net Investor Equity	97,298,784
Current Earnings	624,637
Total Equity	97,923,421
Total Liabilities & Equity	201,407,902