

Investing across British Columbia

All Island Equity REIT

Investor Presentation – September 1, 2022

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Please refer to the Reader Advisory section of this Presentation for more information.



ALL
ISLAND
EQUITY

What is a REIT?



A REIT, real estate investment trust, is an entity that indirectly owns predominantly income-producing real estate assets

- REITs allow investors to participate in a pool of real property that is rented to produce income

Transparent investment - investors know what they own and where the income comes from

REIT Units generally qualify for non-registered and registered plans such as RRSPs, RRIFs, TFSAs, and RESPs

Quarterly distributions to unitholders

- Distributions are generally taxed as Return of Capital, or Capital Gains in certain circumstances
- Distributions can be received as cash or can be automatically invested in additional units



Why invest in a REIT?



- Usually a higher yield alternative to fixed income investments such as Bonds or GICs
- Tax efficient investment vehicle
- Reduced risk through pooling multiple assets
- Enjoy the benefits of being a landlord without the work associated with managing a rental property
- Distributions paid quarterly in cash or in units
- Investment backed by real estate assets
- Professional and experienced management

Secondary Markets in BC: An Emerging Property Investment Destination

- Capital Flows are Migrating Across Property Markets in British Columbia
- Focused on Economic / Lifestyle Catalysts
- Undersupplied Housing Market / Growing Demand
- Scarcity of Investable Properties / Portfolios



Portfolio Highlights



BC Based Portfolio in Strong Secondary Markets

- Initial portfolio consisted of 351 apartment units and 59,473 sf of commercial space
- Portfolio has grown to 835 apartment units and 58,035 sf of commercial space across 43 properties

Positive Dynamics For Residential Rent Growth

- Create value by upgrading suites upon turnover, benefitting from the resulting increase in revenue and property values

High Quality Portfolio

- Tenant profile – large number of retirees, longer average tenure, low wear and tear

Investment Property Value * \$199

(millions)



* Additional information about the portfolio, including investment property values, is included in the Trust's (as defined herein) Offering Memorandum (as defined herein).

Portfolio Highlights



Portfolio Well Maintained With a Standard Level of Capital Expenditures

Discount To Replacement Cost

- Assets are typically acquired below replacement cost

Conservatively Leveraged

- CMHC eligible borrower
- Took advantage of historically low interest rates with long term fixed rate financing
- 2.90% weighted average interest rate
- 7.7 years weighted average term remaining
- No maturities until Nov 2026
- Currently at 52% loan-to-value ratio





Unitholder Value



Net Asset Value per Unit**

Distributions

- AIE REIT has maintained a 3% annual distribution since 2018
- Distributions changes in line with Net Asset Value per unit**

* Historical results may not be indicative of future performance. There is no guarantee of performance. See "Risk Factors".

** Additional Information about the Net Asset Value per Unit and distributions is contained in the Trust's Offering Memorandum.

Expansion Initiatives



Densification Corridor

- Long-term Infill Development
- *Est.* \$10 million to acquire over time
- Income producing at purchase
- Central Campbell River



Newly Developed Multi-Fam

- Various projects
- \$60+ million purchase pipeline



Portfolio Build Out

- Attractive in place debt
- \$7M purchase price
- 31 Units in Penticton
- Build out Okanagan portfolio

Management & Board of Directors



AIE REIT Draws From a Seasoned Group of Real Estate Entrepreneurs / Executives:

Management / Officers

- **Brendan Sutton - CEO** - 10 years of real estate experience, specifically in the areas of accounting, urban planning, corporate development, and real estate asset/property management
- **Zen Dedekind - CFO** - Chartered Accountant / MBA; 10+ years of finance experience; focused on financial reporting, securities, debt and equity raising activities, and business development

Board of Directors

- **Ben Vanderhorst** - Former MNP Partner, Courtenay office and Director of BC Assessment Board from 2011 to 2017
- **Dave Hammond** - Realtor since 1978 (now retired), active in development both as agent and principal
- **Garth Busch** - Former MNP Regional Managing Partner for VI & Northern BC and active as a principal in commercial and residential real estate construction and leasing since 1990
- **Judy Rogers** - Former City of Vancouver City Manager, Past Chair of BC Assessment Authority and BC Housing Commission, and Current chair of Vancouver Fraser Port Authority
- **Shelley Legin** - CPA with senior executive experience in financial planning, strategy, and operations in the public and private sectors - notably as CFO at a Canadian university, GM at a BC municipality, and Executive responsible for investing activities of a \$500 million fund.
- **Patrick Sullivan** - Founder of Sullivan Wealth Management Group Ltd. and AIE Mortgage Investment Corporation (MIC)

Reader Advisory



INFORMATION PURPOSES ONLY

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Reader Advisory (continued)



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This Presentation contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AIE REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results, performance and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in these materials. These statements are based on assumptions made by the directors and officers of AIE Management and the Trustee about the success of AIE REIT’s investment strategies in certain market conditions, relying on the experience of AIE Management’s and the Trustee’s respective directors, officers and employees and knowledge of historical economic and market trends. These statements involve known and unknown risks, uncertainties and other factors, including acts of war, terrorism, natural disasters or pandemics or epidemics, such as COVID-19, and the severity and duration thereof, that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Economic and market conditions may change, which may materially impact the success of AIE REIT’s intended strategies as well as AIE REIT’s actual course of conduct. All Island Equity REIT believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this communication should not be unduly relied on. These statements speak only as of the date hereof, or as of the date specified in such statements, as the case may be. For additional risks relating to AIE REIT, its proposed business and an investment in Units, see “Risk Factors” herein.

To the extent any forward-looking statements or forward-looking information used herein constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information reflects current expectations with respect to current events and is not a guarantee of future performance. Prospective investors should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out herein. The Trust’s actual financial position and results of operations may differ materially from All Island Equity REIT’s current expectations (as presented herein) and, as a result, the Trust’s revenue and expenses may differ materially from the revenue and expenses profiles provided herein. Such information is presented for illustrative purposes only and may not be an indication of the Trust’s actual financial performance.

Reader Advisory (continued)



RISK FACTORS

There are certain risks inherent in the proposed activities of the Trust and investment in the Units of the Trust. In addition to the other information contained in this Presentation, prospective investors should give careful consideration to the risks described below and risks described in the Trust's Offering Memorandum. The risks described below may not be the only risks involved with the activities of the Trust or an investment in the Units. If any of the following risks occur, or if others occur, the Trust's business, operating results and financial condition could be seriously harmed and holders of Units may lose some or all of their investment. Risks affecting the Trust may also affect its ability to make distributions of the Units.

An investment in Units is subject to a number of risks, including that there is no market for Units and a market for Units is not expected to develop; that an investment in Units is an indirect investment in the properties acquired by the Trust through its ownership of units of the Partnership, and as such, have attached to them the risks associated with investing in real estate generally, such as interest rate risk, tenant occupancy levels, environmental risks, competition for real estate properties, changes in economic conditions; risks associated with redemptions and retractions of Units; the possibility of conflicts of interest; risks associated with changes in income tax regulation; risks related to cyber-security; and other factors including acts of war, terrorism, natural disasters or pandemics or epidemics, including the novel coronavirus otherwise known as COVID-19.



THANK YOU

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