

September 15, 2022

## Message from the CEO

Management was focused on stabilizing the portfolio and mitigating interest rate risk for the first half of 2022. Management is pleased with the progress made on both fronts and the advancements made have put AIE REIT in a strong position to acquire new assets on AIE REIT's terms. That is, given the strength of the portfolio and the strong re-rent values achieved, AIE REIT is well positioned and can patiently wait for the most accretive opportunities/acquisitions.

As outlined in the Offering Memorandum on pages 16 – 18 under Property Debt Summary, Management pursued an aggressive financing strategy to stabilize our debt obligations. AIE REIT's current Loan to Value ratio is 52%, with approximately 27% of mortgages reaching maturity after 2026 (2026 – 2027) and approximately 70% of mortgages reaching maturity after 2028 (2028 – 2032). AIE REIT is well positioned to successfully manage the uncertain interest rate market.

Given the significant growth of our portfolio in 2021, it was crucial to strengthen corporate systems to ensure effective oversight of the assets under management. AIE REIT now manages assets in six different communities and is continuing to improve systems to efficiently accommodate the added scale.

In addition to Management's efforts, the Board of Directors have further strengthened the Board's knowledge and skill set by welcoming two new board members as of September 1st – Judy Rogers and Shelley Legin. Judy and Shelley bring a tremendous amount of business and corporate governance experience to the AIE REIT Board and Management is excited for them to join the AIE REIT team. Further biographical information on Judy and Shelley will be circulated to unitholders in the coming weeks.

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

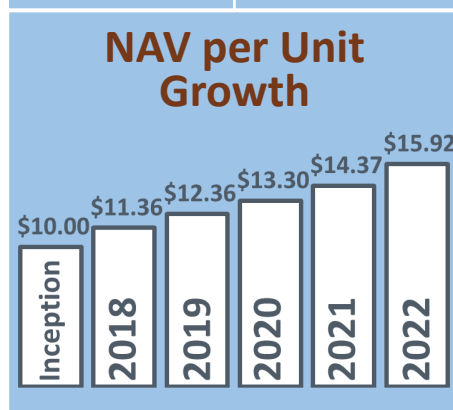
- Residential vacancy was approximately 1.6% for the last three months (the majority of vacancies were due to vacant suites held for a month to complete renovations).
- Commercial vacancy was at 11.4% as of June 30, 2022.

## Capital Update

- With CMHC financing imminent for the final 2022 maturities, all mortgage rates are fixed, with no maturities until 2026.
- Two capital raises, led by Integral Wealth Securities, are expected for 2022. One in September, with the other in November / December.

<b>\$15.92</b>	<b>3%</b>
NAV per Unit	Annual Distribution

<b>11.94¢</b>	<b>Sep. 30</b>
Quarterly Payment Per Unit	Record Date
	<b>Early-Oct.</b>
	Next Distribution



<b>52%</b>	<b>\$200M</b>
Loan to Value <sup>(1)</sup>	Value of Investment Properties <sup>(1)</sup>

<b>\$1.95M</b>	<b>106%</b>
Q2 2022 Net Operating Income	2022 AFFO Payout Ratio Estimate <sup>(2)</sup>

### Annualized Return<sup>(3)</sup>

1 Year	<b>12.7%</b>
3 Years	<b>11.1%</b>
Inception	<b>11.8%</b>

## 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 \$200 million of assets in Vancouver Island and the interior. The portfolio consists of 835 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.

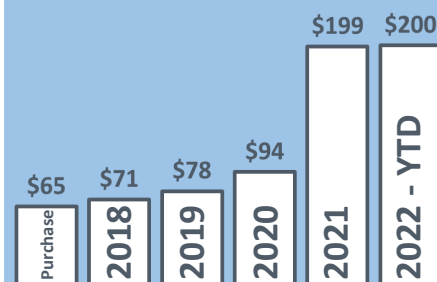
**Trust or AIE REIT:** All Island Equity REIT, a Real Estate Investment Trust.

- (1) As of June 30, 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

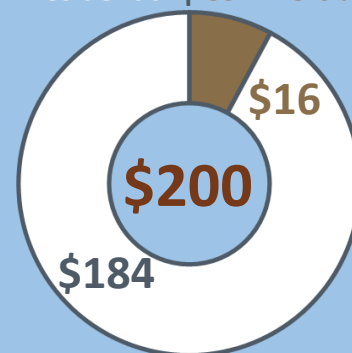
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## Investment Property



## Portfolio (millions)

Residential | Commercial



**Unaudited Income Statement - June 30, 2022**

	<i>Year to Date</i>
<b>Total Operating Revenues</b>	<b>6,335,597</b>
<b>Expenses</b>	
Utilities	419,199
Real Estate Taxes	477,275
Maintenance Expenses	462,324
Insurance	290,053
Site Staff Wages	402,363
Property Management Fees	538,215
<b>Total Operating Expenses</b>	<b>2,589,429</b>
<b>Net operating income</b>	<b>3,746,169</b>
Less General & Administrative	740,258
<b>EBITDA</b>	<b>3,005,911</b>
Less Mortgage Interest	1,201,273
Less Amortization - Financing Cost	225,016
<b>Net Income</b>	<b>1,579,622</b>

**Unaudited Balance Sheet - June 30, 2022**

<b>Assets</b>	
Current Assets	519,377
Cash and Cash Equivalents	2,923,325
Equipment	-
Properties	200,210,337
<b>Total Assets</b>	<b>203,653,038</b>
<b>Liabilities</b>	
Payables, Accruals and Prepaid Rent	807,696
Security Deposits Held	546,313
Vancity Line of Credit	3,999,514
Mortgages and Loans	100,746,699
<b>Total Liabilities</b>	<b>106,100,222</b>
<b>Owner's Equity</b>	
Net Investor Equity	95,973,194
Current Earnings	1,579,622
<b>Total Equity</b>	<b>97,552,816</b>
<b>Total Liabilities &amp; Equity</b>	<b>203,653,038</b>