INTEGRATED ASSET MANAGEMENT
(IAM - TSX $0.65)

Recommendation:	**BUY**
Target Price (1 Year):	**C$1.75**
Prior:	**C$2.35**
Total Return (1 Year):	**181%**
Risk:	**Medium-Low**

Market Data

Current Price	$0.65
52-Wk Range	$0.20-1.69
Mkt. Cap. (mm)	$18.6
Dividend	$0.08
Yield	12.3%

Financial Data

Fiscal Y/E	September 30
Shares O/S f.d. (mm)	28.6
Share Float Est. (mm)	13.5
Total AUM (bill)	$2.2
Mkt. Cap. as % AUM	0.8%

Estimates (f.d.)

Year	2007A	2008A	2009E
EPS	$0.07	$0.07	$0.02
EBITDA/Shr. (Adj.)	$0.26	$0.26	$0.09
Prior EBITDA/Shr.			$0.27

Valuations

Year	2007A	2008A	2009E
P/E Mult.	9.3x	9.3x	n.m.
P/EBITDA (Adj.)	2.5x	2.5x	7.2x

Integrated Asset Management Corp.

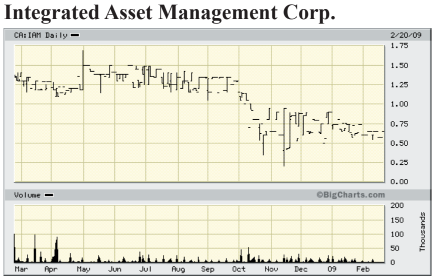

Chart Courtesy Big Charts

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Notes:
All figures in Canadian dollars, unless otherwise specified.
** Under Review*

Please see the final pages of this document for important disclosure information.

Q1/09 Results Lower Than Expected
AUM Down But Much Less Than Overall Market
Demonstrating a More Stable & Controllable AUM Base

Conclusion: BUY – 12-Month Target Price Lowered to $1.75

Integrated Asset Management Corp. (IAM) is distinctive among public asset management companies since it is focused on managing alternative class assets and derives its revenue from not only management fees but also performance-based fees. In this respect, it differs from the traditional investment management companies which invest largely in publicly-traded stocks and bonds. IAM's business model has historically demonstrated significantly less volatility in its Assets Under Management (AUM) as its asset managers are more closely involved with their investments than traditional asset managers providing a more stable and controllable AUM base. In addition, IAM has the potential to earn significant and demonstrated performance fees.

As demonstrated last quarter, AUM declined only marginally considering the sharp correction experienced by the S&P/TSX composite Index. Total AUM, including committed AUM, decreased by 9% Y/Y to $2.1 billion (excluding Darton) which was a considerably better performance than the 33% decline in the S&P/TSX composite Index. The latter demonstrates the stickiness of IAM's AUM.

IAM reported consolidated EBITDA for the first quarter of fiscal 2009 ended December 31, 2008 of $0.2 million or $0.01 per share, down from $1.1 million or $0.04 per share in the same period last year. These results were below expectations, primarily as a result of lower than expected performance fees.

Management fees of $3.9 million declined 5% from an adjusted $4.1 million last year (excluding the discontinued operations of Darton). Although management fees were weaker than expected, core management fees from the real estate and private corporate debt increased Y/Y. The shortfall in management fees occurred in the Retail Alternative Investment (Retail) operations.

IAM's estimated committed AUM of $2.2 billion by fiscal year-end 2009 is expected to be about 92% invested (currently about 85% invested) providing the prospect of growing revenues for that period even with no further new business. As such, we expect earnings to be driven by higher management fees as committed assets become more fully invested; however, lower management fees and performance fees from the Retail group may offer somewhat of a drag.

For fiscal 2009, we have forecast EBITDA of $2.6 million or $0.09 per share, down from our prior forecast of $8.0 million or $0.27 per share. Net income is forecast at a loss of $0.4 million or $0.6 million profit including the gain from Darton. Total consolidated revenue is forecast to decrease to $18.2 million in fiscal 2009, down from our prior revenue forecast of $32.0 million which included the Darton revenues. The lower revenue forecast is driven by the lower AUM levels, lower transaction closing fees and lower estimated performance fees. Due largely to market volatility, performance fees are forecast to decline in fiscal 2009 to $1.2 million from $6.0 million in our prior forecast.

Valuation

We believe IAM is significantly undervalued and continue to recommend it as a Strong Buy. However, given the outlook for AUM growth and the lower valuations being attributed to wealth management companies, we are lowering our 12-month share price target to $1.75 from $2.35. Our 12-month share price target represents an Equity Value to AUM valuation of only 2.0% versus the industry average of over 4.0%.

Assets Under Management

IAM Asset Breakdown	Years Ended				Q1-2009	Forecast
AUM & Committed Assets	30-Sep	30-Sep	30-Sep	30-Sep	31-Dec	30-Sep
$millions	2005	2006	2007	2008	2008	2009E
Integrated Private Debt						
Managed Est.	$ 258	$ 221	$ 652	$ 800	$ 850	$ 925
Committed Est.	$ 522	$ 598	$ 102	$ 171	$ 121	$ 46
Total Private Debt	$ 780	$ 819	$ 754	$ 971	$ 971	$ 971
GPM						
GPM - AUM Est.	$ 533	$ 562	$ 692	$ 620	$ 620	$ 670
GPM - AUM Committed	$ -	$ -	$ -	$ 172	$ 172	$ 122
Darton Property Advisors	$ 710	$ 702	$ 759	$ -	$ -	$ -
Total GPM	$ 1,243	$ 1,264	$ 1,451	$ 792	$ 792	$ 792
Integrated Partners & Futures	$ 66	$ 60	$ 19	$ 18	$ 19	$ 32
Retail Alternative Investments	$ 785	$ 739	$ 756	$ 550	$ 367	$ 360
Total IAM Assets Managed	$ 2,352	$ 2,284	$ 2,878	$ 1,988	$ 1,856	$ 1,987
Total Committed AUM	$ 2,874	$ 2,882	$ 2,980	$ 2,331	$ 2,149	$ 2,155

Recent Quarterly Highlights

IAM reported consolidated EBITDA for the first quarter of fiscal 2009 ended December 31, 2008 of $0.2 million or $0.01 per share, down from $1.1 million or $0.04 per share in the same period last year. These results were below expectations.

- Management fees of $3.9 million declined 5% from an adjusted $4.1 million last year (excluding the discontinued operations of Darton). Although management fees were weaker than expected, core management fees from the real estate and private corporate debt increased Y/Y. The shortfall in management fees occurred in the Retail Alternative Investment (Retail) operations as well as from lower closing fees as there were fewer real estate and debt transactions.
- Total revenue was $4.0 million in Q1/09, down 32% Y/Y. Performance fees in the quarter were $0.02 million and well below the $1.5 million reported in the same period last year and accounted for the bulk of the revenue decline.
- Total AUM, including committed AUM, decreased by 9% Y/Y to $2.1 billion (excluding Darton) which was a considerably better performance than the 33% decline in the S&P/TSX composite Index. The latter demonstrates the stickiness of IAM's AUM.
- Net income for the quarter, after taxes and non-controlling interest, was reported at a loss of $0.5 million or $0.02 per share versus a profit of $0.5 million or $0.02 per share in the same quarter last year. These results exclude the $1.0 million share of net income and gain recorded on the sale of Darton.
- Total SG&A expenses in the quarter of $3.5 million were down from $3.6 million in the same period last year due to cost reductions.
- GPM's committed AUM was an estimated $792 million of which we estimate 80% were invested, and Integrated Private Debt committed AUM were $971 million of which we estimate about 87% were invested.
- Cash balances declined to $8.4 million from $13.3 million as at September 30, 2008. During the quarter, cash outlays were $5.2 million for the acquisition of the 25% of the Real Estate group not owned. IAM received $3.0 million in the sale of Darton.

Review of Fiscal 2008 Ended September 30, 2008

For fiscal 2008, EBITDA was reported at $6.8 million or $0.26 per share, up 10% Y/Y. Net income for fiscal 2008 was reported at $1.9 million or $0.07 per share, basically flat from fiscal 2007.

Revenue was reported at $25.9 million, down 8% Y/Y. Management fees increased 4% Y/Y to $17.9 million, excluding the revenue from Darton which was sold shortly after year-end. The proceeds from the Darton transaction were about $3.0 million in cash. Total performance fees declined 24% to $7.2 million in fiscal 2008, with $5.6 million sourced from the Real Estate group and $1.6 million from the Retail Alternative Investment group. Net performance fees actually increased in fiscal 2008 to $4.5 million from $3.3 million as the margins are higher in the Real Estate group than in the Retail Alternative group. The latter was the source of all the performance fees in fiscal 2007.

IAM's committed AUM decreased to $2.3 billion as at the end of fiscal 2008 from $3.0 billion as at the end of fiscal 2007. The lower AUM was entirely due to the sale of Darton which had about $760 million of lower margin AUM. During fiscal 2008, the Real Estate group raised $148.5 million in GPM 11 and the Private Debt group raised $425 million in its IPD2 offering. Managed AUM, excluding Darton, increased 5% Y/Y to $2.3 billion. Retail Alternative Investments AUM decreased to $549 million or 21% Y/Y due to market volatility.

Financial Forecast

IAM's estimated committed AUM of $2.2 billion by fiscal year-end 2009 is expected to be about 92% invested (currently about 85% invested) providing the prospect of growing revenues for that period even with no further new business. We base our forecast on the following:

- GPM recently completed a total new capital raise of $148 million in GPM (11). Total committed and managed AUM is forecast to increase to $792 million with GPM's managed AUM to increase to $670 million by the end of fiscal 2009.
- Integrated Debt is forecast to be 95% invested with AUM of about $971 million.
- Retail Alternative Investments, as previously noted, is expected to continue its focus on marketing and selling new BluMont Capital products including more prospectus-based alternative funds that will be accessible to a wider group of retail investors and resource flow-through funds. However, recent market volatility has made the marketing more challenging. We forecast total AUM to approximate $360 million by the end of fiscal 2009. This level of asset growth will constrain both management fees growth and performance fees.
- Integrated Partners is not expected to close any new offerings in 2009, and we expect AUM will remain unchanged. We have assumed little change in AUM until refocusing strategies take effect.
- Managed Future's AUM is projected to increase in fiscal 2009 with additions from the new BluMont Capital product offering. No performance fees are assumed for either year.

Consolidated Income Statement

IAM Consolidated	1st Quarter Ended		Years Ended			
Year end Sept 30	31-Dec 2008A	31-Dec 2007A (1)	30-Sep 2006A	30-Sep 2007A (1)	30-Sep 2008A (1)	30-Sep 2009E
Revenue						
Mgmt & Adv. Fees	$ 3,884,575	$ 4,093,515	$ 19,954,884	$ 17,195,262	$ 17,879,575	$ 16,500,000
Performance Fees	$ 171,574	$ 1,509,431	$ 11,561,353	$ 9,369,468	$ 7,186,130	$ 1,200,000
Equity Loss of Investment	$ (135,977)	$ 16,811	$ (574,554)	$ (351,513)	$ (61,229)	$ -
Other Income & Interest	$ 127,956	$ 305,424	$ 1,491,007	$ 1,973,003	$ 924,590	$ 500,000
Total Revenue	$ 4,048,128	$ 5,925,181	$ 32,432,690	$ 28,186,220	$ 25,929,066	$ 18,200,000
Net Performance Fees	$ 3,665,877	$ 2,936,911	$ 5,449,049	$ 3,306,000	$ 4,519,000	$ 800,000
Expenses						
SG&A	$ 3,471,112	$ 3,565,293	$ 18,702,721	$ 14,929,919	$ 14,613,328	$ 13,600,000
Investment Advisory Fees	$ 236,301	$ 109,409	$ 681,416	$ 262,344	$ 573,231	$ 680,000
Service Fees to Dealers	$ 230,044	$ 345,194	$ 1,285,891	$ 1,131,365	$ 1,312,762	$ 830,000
Service & Perform Fees	$ 4,212	$ 763,815	$ 6,112,304	$ 6,063,692	$ 2,666,967	$ 400,000
Deprec. Prop & Equip	$ 49,013	$ 49,814	$ 248,270	$ 186,043	$ 223,472	$ 200,000
Amort. D.S. commissions	$ 765,053	$ 520,233	$ 724,454	$ 1,917,494	$ 2,099,647	$ 3,000,000
Amort. Mgmt Contracts	$ -	$ -	$ 1,359,230	$ 156,303	$ -	$ -
Interest Expense	$ 4,537	$ 48,268	$ 221,378	$ 218,534	$ 63,738	$ 20,000
Stock Based Comp.	$ 35,836	$ 46,562	$ 146,604	$ 125,691	$ 182,149	$ 100,000
Total Expenses	$ 4,796,108	$ 5,448,588	$ 29,482,268	$ 24,991,385	$ 21,735,294	$ 18,830,000
Operating Income	$ (747,980)	$ 476,593	$ 2,950,422	$ 3,194,835	$ 4,193,772	$ (630,000)
Income Tax	$ (235,247)	$ (46,188)	$ (1,128,397)	$ (1,126,112)	$ 1,510,660	$ (300,000)
Minority Interest	$ (18,108)	$ (27,173)	$ (595,807)	$ (523,986)	$ (1,026,524)	$ (60,000)
Discontinued Operations (2)	$ 967,172	$ 60,891	$ -	$ -	$ -	$ 967,172
Net Income (Loss)	$ 436,331	$ 556,499	$ 3,483,012	$ 3,796,961	$ 1,656,588	$ 577,172
Earnings Per Share (1)						
EPS - (basic & fd)	$ 0.02	$ 0.02	$ 0.06	$ 0.07	$ 0.07	$ (0.02)
EBITDA (1)	$ 240,000	$ 1,140,000	$ 6,225,000	$ 6,152,000	$ 6,824,000	$ 2,590,000
EBITDA per share (basic & fd)	$ 0.01	$ 0.04	$ 0.29	$ 0.23	$ 0.26	$ 0.09

(1) Revised to exclude Darton Property Advisors which was sold on December 1, 2008
(2) Discontinued Operations include the gain & Income from the sale of Darton
Net gain was $1,001,574 and the net Income was ($34,402)

Total consolidated revenue is forecast to decrease to $18.2 million in fiscal 2009 which is down from our prior revenue forecast of $32.0 million which included the Darton revenues. The lower revenue forecast is driven by the lower AUM levels, lower transaction closing fees and lower estimated performance fees. Due largely to market volatility, performance fees are forecast to decline in fiscal 2009 to $1.2 million from $6.0 million in our prior forecast.

We have forecast lower operating expenses for all of fiscal 2009 due to expense reductions. Generally, IAM has been viewed as deriving its profits from performance fees, but we believe the company has matured to a new operating level where its scale now allows for a positive EBITDA from only recurring management fees.

For fiscal 2009, we have forecast EBITDA of $2.6 million or $0.09 per share, down from our prior forecast of $8.0 million or $0.27 per share. Net income is forecast at a loss of $0.4 million or a profit of $0.6 million including the gain from Darton.

Developments: Last 12 Months

Several developments took place over the last 12 months, which we view as very positive and a logical step in integrating IAM's operation as a diversified alternative asset manager.

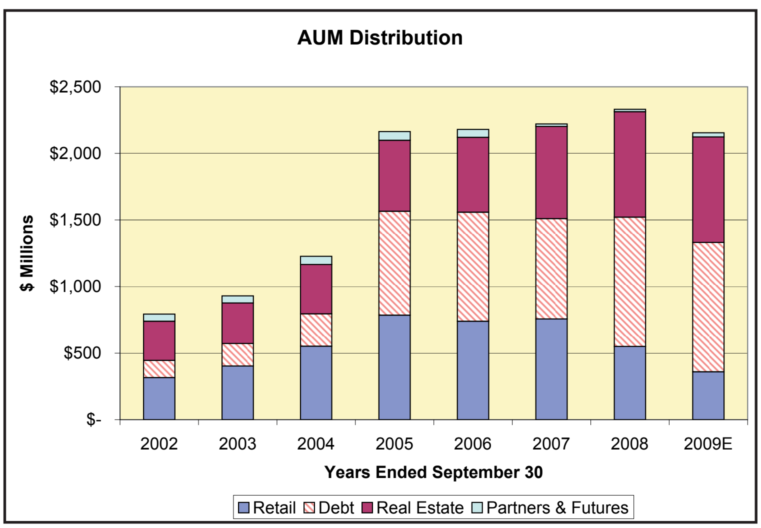
- **Sale of Darton Property & Managers Inc. (Darton)** which represented all of IAM's real estate property management activities. The proceeds from the Darton transaction were about $3.0 million in cash. The transaction recorded a profit of $1.0 million.
- **Acquired balance of ownership in the Real Estate Asset Management** group in October, 2008 (from 75% ownership previously) at a cost of 5.2 million.
- **Launch of Exemplar Portfolios:** In May, the Company launched this new group of investment products on a continuous offering basis to retail investors. The Exemplar Portfolios allow the portfolio managers more flexibility to take advantage of diverse and volatile markets both domestically and internationally. IAM has about $2.0 million invested in these funds.
- **GPM Announced Completion of GPM (11) for $148.2 million:** GPM announced on April 15, 2008 that it had completed the final closing for GPM (11) for a total raise of $148.2 million. Investors are pension funds, large and small, public and private, and endowments.
- **IPD-LP II Closed New Commitment of $425 million:** Integrated Private Debt announced on April 1, 2008 the closing of Integrated Private Debt Fund LP II (IPD-LP II) with total commitments of $425 million.

More About IAM

IAM is an investment management company exclusively focused on alternative asset classes. IAM differs from traditional investment managers in that it seeks higher returns from less efficient markets where good management skills have greater opportunities to achieve higher returns. Traditional investment managers tend to stress asset growth and are classed as a particular style such as growth, value-oriented, or a tracker of an index.

IAM is focused on five alternative asset classes, namely, real estate, private debt, retail alternative investment management, private equity and managed futures. The retail alternative asset management operation is conducted through BluMont Capital. Each asset class has a slightly different structure, but for the most part operate under the basic principle that IAM strives to own 100% of the business with managers participating in both management fees and performance fees. IAM markets its fund management expertise to institutional clients including pension funds. Retail clients are served through the products offered by BluMont Capital.

Distribution of Assets Under Management



Five Asset Classes

IAM's alternative asset management operation consists of five alternative asset classes, namely, (i) real estate (GPM), (ii) private debt (Integrated Private Debt), (iii) retail alternative investments (BluMont Capital) and (iv) private equity (Integrated Partners) and (v) managed futures (Integrated Managed Futures).

1. Real Estate (Greiner-Pacaud Management ("GPM") – 100% ownership.
GPM is a fully integrated real estate management company offering a complete range of real estate services including investment management, asset management, development, leasing, mezzanine lending, and merchant banking. GPM was founded in 1982 and acquired by IAM in 1998.

- **GPM's Core Closed-end Product** – GPM's core product is a series of eleven closed-end funds of which seven have been liquidated. Total committed assets are concentrated in the three outstanding funds GPM (8) through GPM (11). GPM earns fees on the assets managed of approximately 1.00% plus a performance fee on returns generated over a hurdle rate. The funds, which have almost no debt, are invested in a range of property types with a concentration on industrial property, a sector where GPM has built an expertise. Since the property investments effectively have no debt, the rental income generates approximately the equivalent of the hurdle rate, which provides significant leverage for the performance fees.

- **GPM Institutional Product** – At the end of December 2004, GPM introduced its first segregated account for a major institutional client. The initial capital committed was $70 million, however that amount has now increased to approximately $250 million and when the program is completed could total in excess of $400 million.

2. Integrated Private Debt – 100% ownership.
Integrated Debt is an independent manager of corporate debt for its insurance company and institutional clients. It was founded in 1987 and acquired by IAM in 2000. It is a lender to mid-sized Canadian businesses both public and private for terms up to 5 years. All new funds are on a committed basis and do not earn management fees until the funds are drawn down and invested. Management fees range from 30 to 50 basis points annually and there are also one-time commitment fees on loans ranging from 50 to 100 basis points.

3. Retail Alternative Investments (BluMont Capital) – 100% ownership.
BluMont Capital is IAM's retail alternative asset company. BluMont Capital is currently involved in both the selection and distribution of high quality long/short equity fund products and flow through products providing retail clients with the opportunity to diversify into alternative investments. The company is partnered with a number of leading investment management firms which manage many of their products.

Historically, BluMont Capital was more narrowly focused on hedge funds which presently represent some 50% of its AUM. These hedge funds were the result of a strategic alliance in 2002 with Man Investments ("Man"), considered one of the world's highest rated managers of hedge fund investments. Structured products differ from open-end hedge funds in that they have a limited offering period and a limited term of 5 to 10 years. BluMont Capital's exclusive distribution agreement for Canada with Man was amended and no new products were launched after 2006. BluMont Capital does continue to receive net fees for servicing the Structured Products for the duration of these investment products, which have expected maturities ranging from 2013 to 2016. However, there are no plans to launch any more BluMont Capital Man products.

BluMont Capital derives its revenue from two major sources: management fees and performance fees. Management fees range from 1.00% to 2.50% and are based on the market value of assets under management. The performance fees are earned when investment returns outperform a hurdle rate. BluMont Capital receives 20% of the profits in excess of the hurdle rate, which are recognized in revenue only when realized. The BluMont Capital Man assets do not pay any performance fees to BluMont Capital.

4. Private Equity (Integrated Partners) – 100% ownership.
Integrated Partners is a private equity group operating through a limited partnership. The fund invests in private companies and earns both management fees of 2.00% on invested assets as well as performance fees. The performance fees are 20% of the investment returns over a hurdle.

5. Managed Futures (Integrated Managed Futures) – 77.5% ownership.
IMFC is a Commodity Trading Advisor focused on managing assets invested in commodity futures markets. IMFC is the most recent addition to IAM's alternative group of assets. Recently, the IMFC Global Investment Program (IMFC Global) was launched to replace the original niche program which was focused primarily on physical commodities and currencies. The new IMFC Global program utilizes a more conservative fixed risk budget and is globally diversified covering all physical and financial futures markets. A retail version of the IMFC Global program was launched on January 1, 2008. Fees are generated from a 2.00% management fee plus a performance fee of 20%.

IAM Ownership

IAM entered the asset management business in 1997 and is focused exclusively on alternative asset classes. The Company operates under the direction of its founding shareholder, Victor Koloshuk, who has direct and/or indirect voting control over the Company representing approximately 31.0%. Directors and Officers of the Company owned directly and indirectly common shares representing over 50.0% of the total outstanding common shares. Koloshuk Farrugia Corp. ("KFC") owns 29.9% of the Company's shares. KFC is controlled by Victor Koloshuk and Stephen Johnson.

Definition of Risk Rankings
Low: Low financial and operational risk, high predictability of financial results with stronger than average balance sheet and strong free cash flows. Company may pay substantial dividends or have an active share repurchase program.
Medium: Moderate financial and operational risk, moderate predictability of financial results, positive free cash flows and may or may not pay a dividend.
High: High financial and/or operational risk, low predictability of financial results. Limited financial history, negative free cash flows, adequate working capital and no dividends.

Definition of Research Ratings
The Catalyst research recommendation structure consists of the following categories:
Buy: The stock's total return, including dividends paid, is expected to exceed a minimum of 15% on a risk-adjusted basis, over the next 12 months.
Hold: The stock's total return, including dividends paid, is expected to be between 0% and 15%, on a risk-adjusted basis, over the next 12 months.
Sell: The stock's total return, including dividends paid, is expected to be negative over the next 12 months.
Speculative: The stock's total return is expected to exceed 30% over the next 12 months; however, there is material event risk associated with the investment that could result in significant loss.
Note: Analysts have discretion within 500 basis points of the upper and lower limit of each rating to maintain the recommendation.

Analyst Certification
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