Integrated Asset Management Corp.

LEADERSHIP

IN ALTERNATIVE ASSET MANAGEMENT

2009 ANNUAL REPORT

OUR COMPANY

INTEGRATED ASSET MANAGEMENT CORP. IS A PUBLIC COMPANY (TSX:IAM), AND IS MAJORITY-OWNED BY MANAGEMENT. IAM DEVELOPS AND MANAGES ALTERNATIVE INVESTMENTS (INCLUDING PRIVATE CORPORATE DEBT, REAL ESTATE, PRIVATE EQUITY, MANAGED FUTURES AND RETAIL ALTERNATIVE INVESTMENTS) WHICH ALLOW INSTITUTIONAL, HIGH NET WORTH AND RETAIL INVESTORS TO REDUCE RISK AND ENHANCE RETURNS IN THEIR PORTFOLIOS.

OUR STRATEGY

INTEGRATED ASSET MANAGEMENT CORP. SEEKS OUT THE BEST ALTERNATIVE ASSET MANAGERS. OVER THE PAST 11 YEARS, WE ACQUIRED AND BUILT A TEAM OF TALENTED, EXPERIENCED, HIGHLY SUCCESSFUL INVESTMENT PROFESSIONALS.

OUR ADVANTAGE

BOUTIQUE AGILITY

ENTREPRENEURIAL SPIRIT

INSTITUTIONAL STRENGTH

PRODUCT OFFERING

Our product line is broad and deep. Clients may choose from established products or work with one or more IAM investment teams to develop a solution tailored to specific requirements. Clients may choose from:

PRIVATE CORPORATE DEBT

- Managed portfolios of investment-grade senior secured, fixed term loans
- Segregated portfolios of senior secured loans

REAL ESTATE

- Discretionary, closed-end funds investing primarily in industrial properties
- Segregated portfolios of various property types combined with development projects

MANAGED FUTURES

- Separately managed accounts of global futures on physical and financial commodities
- Open-end funds investing in global futures on physical and financial commodities

RETAIL ALTERNATIVE INVESTMENTS

- Family of mutual funds with attractive combination of manager flexibility and cost-effective fund features
  - Global equity
  - Canadian equity
  - Global managed futures
- Open-end long-short funds
  - Canadian equity
  - North American equity

PRIVATE EQUITY

- Managed portfolio of private equity investments
- Mining merchant bank
- Resource flow-through funds

YEAR IN REVIEW

We have just come through a year of unprecedented economic distress and upheaval in credit and equity markets. We did not escape unscathed, but were protected by our broad, diversified product line. Our real estate and private corporate debt businesses performed well under the circumstances, although profitability was adversely affected. BluMont Capital, our retail alternative investments business, had a very difficult year. Management responded to the challenges and implemented changes to the business.

Looking ahead, we see a variety of opportunities. Many asset management firms were hurt severely last year and are now considering merger, joint venture or acquisition proposals. We have retained our cash reserves and are actively evaluating a variety of potential acquisitions that would increase our assets under management and expand our product line.

WE HAVE

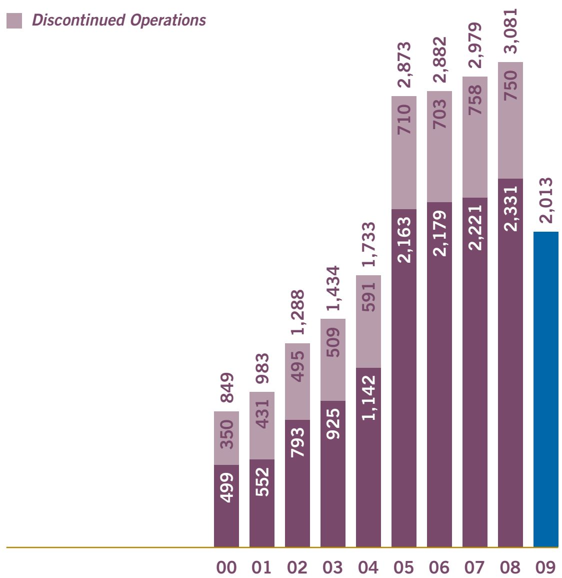
- Solid investment performance
- No debt
- $9.2 million in cash and investments
- Innovative new retail products
- Talented, capable management

WE ARE

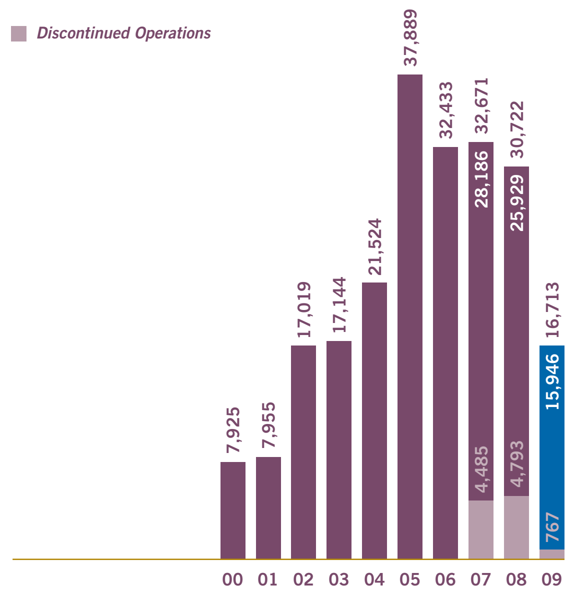
- Focused
- Stable
- Prepared
- Positive
- Determined

2009 FINANCIAL PERFORMANCE

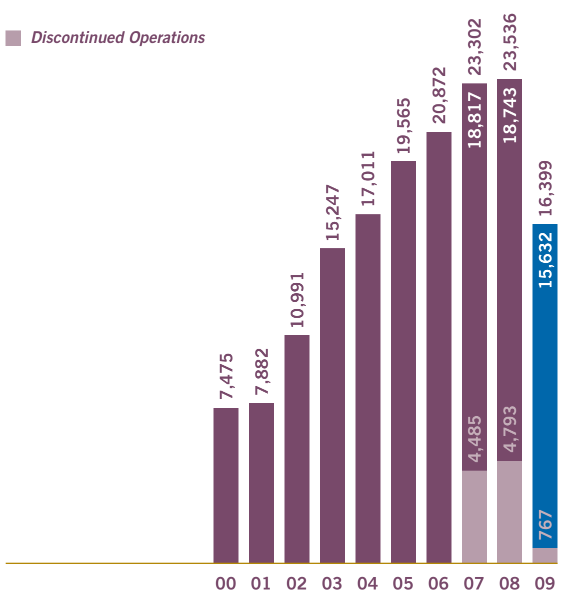
ASSETS UNDER MANAGEMENT
($ MILLIONS)



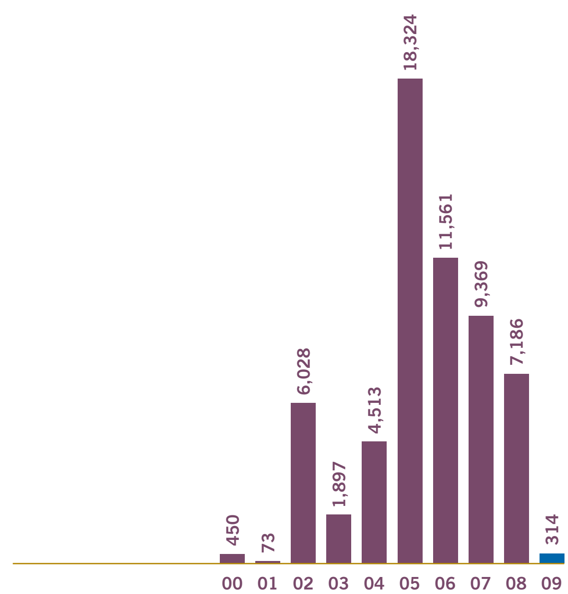
REVENUES ($ 000s)



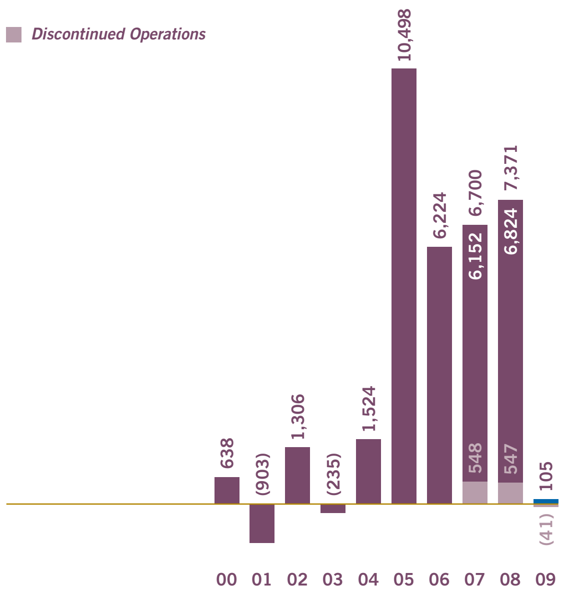
REVENUES BEFORE PERFORMANCE FEES ($ 000s)



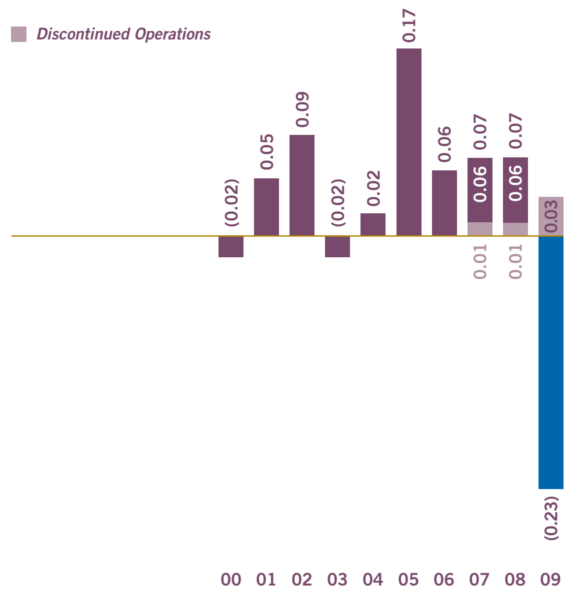
PERFORMANCE FEES ($ 000s)



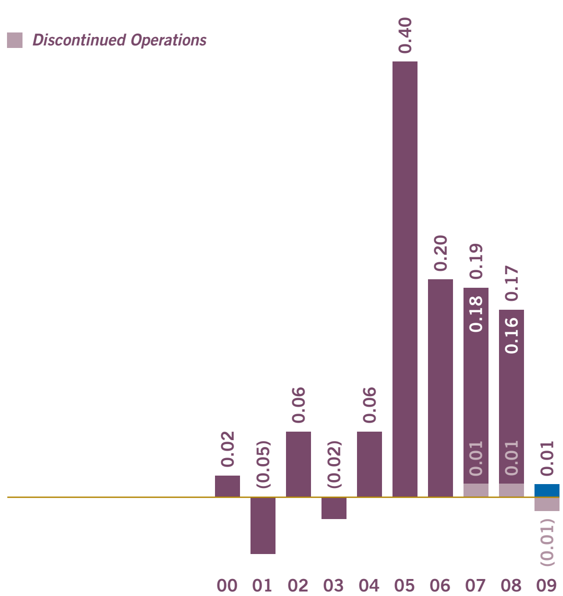
EBITDA ($ 000s)



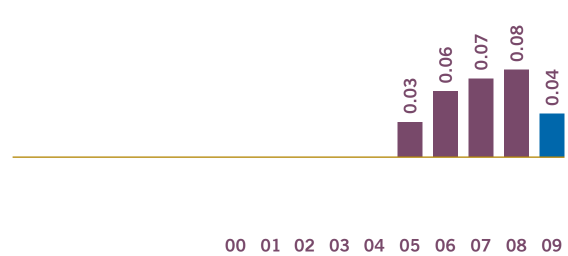
EPS ($ PER SHARE)



CASH FLOW PER SHARE ($ PER SHARE)



DIVIDEND ($ PER SHARE)



CHAIRMAN'S REPORT

"A YEAR AGO, I ADVISED YOU THAT IAM WAS NOT, AND COULD NOT BE, IMMUNE FROM THE BLOWS POUNDING CAPITAL MARKETS, BUT THAT THE COMPANY WAS WELL-POSITIONED TO WEATHER THE STORM."

VICTOR KOLOSHUK CHAIRMAN, PRESIDENT & CHIEF EXECUTIVE OFFICER

We are pleased to present to our shareholders, clients and employees the eleventh Annual Report of Integrated Asset Management Corp. ("IAM").

The past year was a period of unprecedented upheaval in global credit and equity markets. The economic recession reached around the world. Much has been written about the crisis, undoubtedly with more to come.

A year ago, I advised you that IAM was not, and could not be, immune from the blows pounding capital markets, but that the company was well-positioned to weather the storm and this is the case.

This was a very difficult year for us, particularly for our retail alternative investments business, BluMont Capital. The recession and extremely unusual market conditions also created challenges for our real estate asset management and private corporate debt businesses. These challenges have been met and the portfolios remain strong.

Fiscal 2009 loss after tax was $6.5 million (minus $0.23 per share) versus earnings of $1.9 million ($0.07 per share) in fiscal 2008. The largest components of the decline were an extraordinary write-off of goodwill and other intangibles of $7.7 million pre-tax ($5.8 million after tax or $0.20 per share) related to BluMont Capital and a reduction in performance fees of $6.9 million.

EBITDA was small but positive ($0.1 million) in fiscal 2009 versus $6.8 million in fiscal 2008. We ended the year with cash and investments of $9.2 million and no debt.

BluMont Capital's assets under management, ("AUM") were battered, like most retail asset management companies, by the sharp decline in share prices in the second half of 2008 and the accompanying loss of investor confidence in owning equities, which has been evident throughout fiscal 2009.

In both real estate asset management and private corporate debt, our management teams faced significant challenges as tenants and borrowers struggled with the impact of the recession.

Our skilled, experienced managers identified developing problems early, intervened quickly and effected solutions with minimal negative impact on the portfolios.

Both the private corporate debt and real estate asset management businesses are solidly profitable and enjoy predictable, increasing revenue streams. Recognizing the difficult economic environment, both divisions exercised great care in making new investments and were, as a result, behind schedule in investing the committed capital remaining from the last fund raises, which has adversely affected profitability in fiscal 2009.

As BluMont Capital's AUM fell, management worked hard on all aspects of the business. Small funds were merged to reduce operating costs, staff levels were reduced and the sales team was focused on the Exemplar Portfolios.

With the erosion in AUM and the resulting operating losses at BluMont Capital, we determined that it was appropriate to write off all goodwill and other intangible assets associated with BluMont Capital.

The market conditions that adversely affected BluMont Capital have similarly affected other retail asset management firms. This has created attractive potential acquisition opportunities, as some firms that lack the scale and diversification of IAM are searching for a stronger partner with distribution capability.

Acknowledging the challenges faced by BluMont Capital, and concluding that we might need some of our cash reserves for acquisitions, we decided to suspend the semi-annual dividend that would have otherwise been payable in June 2009. The reinstatement of the dividend will be dependent on our earnings, financial resources and capital requirements.

Simply put, it was a very tough year. The senior executives of IAM have conducted a comprehensive review of our long-term strategy. We concluded that our conservatively-managed alternative investment products are an essential core component in reducing risk and enhancing return in the investment portfolios of institutional, high net worth and retail investors. This review reaffirmed our commitment to building a strong, diversified group of alternative investment managers, both by organic growth and by acquisition.

Looking to fiscal 2010, a scheduled performance fee realization from real estate asset management in mid-2010 has the potential for an important contribution to earnings.

We thank you for your support and encouragement.

VICTOR KOLOSHUK CHAIRMAN, PRESIDENT & CHIEF EXECUTIVE OFFICER

REVIEW OF OPERATIONS

"AS LONG-TERM INVESTORS WITH DEMANDING STANDARDS, WE MOVED CAUTIOUSLY AND PRUDENTLY. MANY POTENTIAL INVESTMENTS WERE EVALUATED, BUT FEW MET OUR CRITERIA. AS A RESULT, WE HAVE NOT DEPLOYED THE COMMITTED CAPITAL AS QUICKLY AS PLANNED."

REAL ESTATE

Quite appropriately, we stepped back until the extent of the credit crisis could be assessed and market dynamics settled down. We anticipated that leveraged buyers would disappear from the market and that cap rates would rise. While both of these forecasts proved accurate, fewer properties came onto the market than expected.

As long-term investors with demanding standards, we moved cautiously and prudently. Many potential investments were evaluated, but few met our criteria. As a result, we have not deployed the committed capital as quickly as planned.

The first investments for GPM 11, which closed in April 2008, were made in October 2008. By the end of fiscal 2009, the fund was approximately one-third invested, half way through the investment period. The acquisition team is evaluating a number of opportunities and is confident the fund will be fully invested before the end of the investment period. Once the fund passes the 75% committed threshold, we expect to begin marketing GPM 12 in fiscal 2010.

The recession's impact on our tenants has demanded close management of the fully invested funds. In two properties, tenants' businesses failed and they vacated the buildings they occupied. We were able to re-lease the space and maintain the income stream.

In a few instances, tenants whose businesses are struggling have negotiated temporary rent reductions to help them manage through the downturn. Every tenant in every property is closely monitored; vacancy rates are very low and the portfolios are sound.

In our segregated portfolio, development and construction continued at a measured, somewhat slower pace, consistent with market conditions. While the recession has adversely impacted many businesses, it has also provided relief on costs and the availability of labour and skilled trades. The first scheduled realization of performance fees on the segregated portfolio is due mid-way through 2010, with the potential for an important contribution to earnings.

PRIVATE CORPORATE DEBT

Like their colleagues in the real estate asset management business, our private corporate debt team worked quickly to assess the impact of economic and credit market conditions on our existing portfolios and slowed the investment process to more carefully ascertain the full impact of changing credit market conditions.

We were especially concerned with respect to extreme volatility in pricing and the impact of those movements on our investors' returns. The consequence is that their capital commitments have not been deployed as quickly as originally anticipated and IPD 2 was not fully committed until the end of fiscal 2009. As a result, IPD 3, which was to be marketed and closed in fiscal 2009 has been delayed until fiscal 2010.

Close monitoring and frequent contact with senior management of every borrower is an integral part of our asset management process. As the recession began to take hold, our team intensified its efforts in maintaining up to the minute economic, industry and specific borrower contact across our debt portfolios. Rather than react to historical quarterly financial statements, our approach is to work proactively with management, understand what is happening on a current basis and anticipate what lies ahead.

Our investment portfolios performed well in these challenging economic conditions. There were no payment defaults and few covenant breaches. Close contact with management and understanding of the borrowers' industry and business issues enabled our private corporate debt team to quickly and efficiently deal with these covenant breaches. Each of these situations is a powerful validation of our demanding underwriting standards, comprehensive security packages and active management of our investments. When a loan may become impaired, we work with restructuring professionals to ensure the necessary changes are made to maximize recovery.

During the latter part of the fiscal year, we were able to make higher quality loans at higher spreads than would be possible in more normal circumstances. In addition, we were typically able to secure more extensive covenants.

One of our objectives in the marketing of IPD 3 in fiscal 2010 is to broaden the investor base beyond those investors who participated in IPD 1 and IPD 2. We have received expressions of interest from several new investors and are in advanced discussions with a number of others, and expect to close in the quarter ending March 31, 2010.

RETAIL ALTERNATIVE INVESTMENTS

This past year proved to be very difficult for BluMont Capital, as was the case for all retail asset management companies to varying degrees. The sharp decline in equity markets from July 2008 through March 2009 drove down AUM. Further, some investors unnerved by the unprecedented turmoil in capital markets redeemed their investments, further reducing our AUM.

In addition, in October 2008 the BluMont Man principal protected notes (Man Multi-Strategy Note Program) experienced a "protection event". This meant that the Notes discontinued trading and the capital was transferred to the financial institution, Citibank Canada, to ensure repayment of principal in full, and potentially more, to investors on the maturity dates. The AUM of the affected notes were approximately $140 million and Blumont Capital will not receive any fees after October 2008. The decline in AUM in fiscal 2009 is approximately $242 million (from $549 million to $307 million at September 30, 2009) of which $140 million relates to the BluMont Man "protection event" and $102 million to other BluMont Capital funds.

Management took a number of steps to respond to this very challenging situation. Staff reductions were made and several small funds were merged to reduce operating costs. These actions have reduced daily operating losses (i.e. before performance fees).

In May 2008, BluMont Capital launched a unique prospectus - based fund family called Exemplar Portfolios. The design of Exemplar Portfolios offers the managers considerable investment freedom and flexibility. The structure of the product provides investors with a very attractive combination of features, including daily liquidity, low initial purchase minimums and very competitive fees.

The first two funds in the Exemplar Portfolios were the Exemplar Canadian Focus Portfolio, managed by BluMont Capital's Chief Investment Officer, Veronika Hirsch and the Exemplar Global Opportunities Portfolio, managed by David Iben, CIO of Tradewinds Global Investors LLC. In May, 2009, both of the funds reached their first anniversary, and both were ranked at the top of their respective categories in performance.

In May 2009, a third fund, the Exemplar Diversified Portfolio was added to Exemplar Portfolios. This fund is managed by our managed futures operations, Integrated Managed Futures Corp., and employs the same strategy as the award-winning IMFC Global Investment Program. The IMFC Global Investment Program has been a very strong performer, with a return of 47% in calendar 2008.

All the funds in Exemplar Portfolios have performed in line with expectations since inception in mid-2008. Unfortunately, this was during a period in which retail investors had, in general, reduced equity exposure and were not receptive to new equity funds. Looking forward, retail investors are positioned with large cash and fixed income allocations and may begin to increase equity allocations in the near future.

These adverse market conditions have presented opportunities for BluMont Capital. We are actively assessing several potential acquisitions that will expand BluMont Capital's portfolio management capability, bring new strategies and funds and increase AUM.

OVERVIEW

The management's discussion and analysis ("MD&A") of Integrated Asset Management Corp. ("IAM" or the "Corporation") that follows is based on financial information in accordance with Canadian generally accepted accounting principles ("GAAP"). This MD&A also shows certain measures which do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

This MD&A covers the financial condition and results of operations of IAM for the years ended September 30, 2009, 2008 and 2007 and is as of December 4, 2009. This analysis is supplemental to the Audited Consolidated Financial Statements of the Corporation and its accompanying notes, and is intended to provide additional information on the Corporation's recent performance, its current financial situation and its future prospects. It does not form part of the Audited Consolidated Financial Statements of the Corporation.

This MD&A may contain forward-looking statements on the Corporation's business, strategies, opportunities and future financial results. These statements are not promises or guarantees and are based on assumptions and estimates which are subject to many different risks and uncertainties, any of which could cause actual results to be significantly different from those derived from the forward-looking statements. The reader should not place undue reliance on any such forward-looking statements, which are presented as of December 4, 2009.

This MD&A and additional information relating to IAM, including the Annual Information Form, are on SEDAR at www.sedar.com.

BUSINESS REVIEW

IAM is an alternative asset management company offering high quality alternative asset class management to institutional, pension and private clients. The Corporation provides investors with a broad range of asset classes such as real estate, private equity, private corporate debt and retail alternative investments. The Corporation had assets and committed capital under management ("AUM") of approximately $2.0 billion at September 30, 2009.

The Corporation's private corporate debt, real estate and private equity products are mostly pools of assets managed by the Corporation for investors and the life of each pool of assets can be up to twelve years. Typically, the Corporation develops and structures each investment product and then markets for commitments from interested investors. The pool is then closed and the pool makes acquisitions of assets to deploy the commitments over a number of years. For some types of pools, the Corporation receives fees only when the commitments are deployed and assets are being managed whereas on some pools the Corporation receives fees on the commitments. Generally, there is little or no liquidity for the investors during the term of a pool and the pool can be liquidated earlier than scheduled only in exceptional circumstances.

The Corporation's other financial products, including retail alternative investments ("Retail Alternative Investments"), are subject to agreements, in accordance with industry practices, whereby clients can withdraw their assets or terminate the contracts on short notice.

Retail Alternative Investments comprise financial products for Canadian retail investors through BluMont Capital Corporation ("BluMont Capital"), a wholly-owned subsidiary of the Corporation. BluMont Capital's sales force throughout Canada has an extensive financial advising distribution network through which virtually all sales of Retail Alternative Investments are made.

In October 2008, the Corporation purchased the remaining 25% of the Real Estate Asset Management operations that it did not already own for approximately $5.2 million excluding interest and transaction costs.

On December 1, 2008, the Corporation sold all of its ownership interest in Darton Property Advisors & Managers Inc. ("Darton") which represented all of the Corporation's real estate property management activities for cash of $3.0 million and additional contingent consideration. The Audited Consolidated Financial Statements of the Corporation show Darton as a "discontinued operation" whereby the financial results and assets and liabilities of Darton are disclosed separately. This MD&A focuses on the Corporation's recent performance and future prospects of its activities, excluding those of Darton.

In March 2009, IAM formed a 51% owned subsidiary, OreReserve Asset Management Inc. ("OreReserve"), and entered into an asset management agreement with Augen Capital Corp. ("Augen") which is a TSX Venture listed company with a portfolio of emerging resource stocks. As part of the transaction, Augen's employees have been retained by OreReserve.

FEE REVENUE

The Corporation earns revenue primarily from fees from two sources:

1. Management fees

These are typically based on an agreed percentage of AUM, which includes the market value of funds and other assets administered by the Corporation. Revenues generated from management fees are generally expected to change in direct proportion to the pool of AUM. For income statement purposes, this revenue is recognized when it is earned.

2. Performance fees

The Corporation earns performance fees, including carried interests, when investment returns outperform a designated benchmark. These benchmarks ("hurdle rates") are contract specific and only apply to certain investment products. Funds managed by the Real Estate Asset Management and Private Equity operations typically provide for performance fees to be realized only towards the end of the life of the pool of assets being managed, which at times can be up to twelve years. Accordingly, performance fees in these activities are realized sporadically. Certain financial products in Retail Alternative Investments provide for the realization of performance fees generally on an annual or semi-annual basis (June 30 and December 31).

Unrealized performance fees can build up over time and form a significant portion of the total unrecognized revenue of the Corporation. Unrealized performance fees can also decrease or be eliminated completely over the life of the pool of assets. As the Consolidated Financial Statements of the Corporation recognize performance fees only when realized, the recorded revenues and income of the Corporation will tend to fluctuate from period to period.

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM")

The table below shows the AUM as at the fiscal year end for the last three fiscal year ends showing separately the AUM of the Real Estate Property Management operations (Darton) which was sold in fiscal 2009.

($ millions)	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2007
Private Corporate Debt	$ 881.2	$ 970.4	$ 754.2
Real Estate Asset Management	802.3	792.4	692.1
Retail Alternative Investments	306.5	549.1	756.0
Private Equity and Managed Futures	23.2	18.5	18.5
	$ 2,013.2	$ 2,330.4	$ 2,220.8
Real Estate Property Management (1)	-	750.3	758.6
Total	**$ 2,013.2**	**$ 3,080.7**	**$ 2,979.4**

(1) Represents AUM of Darton which was sold in December 2008

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM") (CONTINUED)

Excluding the sale of Darton, the decline in AUM from approximately $2.3 billion to $2.0 billion is primarily the result of reduced AUM in Retail Alternative Investments and in the normal course of business in Private Corporate Debt.

The decline in AUM in Retail Alternative Investments of approximately $242 million resulted from approximately $140 million of BluMont Man PPNs experiencing a "protection event" (explained more fully in the next paragraph) and approximately $102 million in combined market depreciation and net redemptions in BluMont Capital's fund portfolios.

The unprecedented events in global financial markets during fiscal 2008 and fiscal 2009 proved particularly challenging for a large number of principal protected note products ("PPNs") guaranteed by major financial institutions and marketed to retail investors. As a result of negative performance, over 100 PPNs in Canada have experienced a "protection event" whereby the PPN discontinues trading and any remaining trading capital is transferred to the financial institution to hold along with the guarantee component of the PPN to meet its obligation to repay the principal amount in full at maturity. During the quarter ended December 31, 2008, BluMont Capital announced that the BluMont Man PPNs (Man Multi Strategy Note Program) had discontinued trading and that the remaining trading capital would be transferred to the issuer, Citibank Canada, to hold along with the guarantee component of the PPN. The AUM of the affected PPNs were approximately $140 million as at September 30, 2008. BluMont Capital received no fees on these assets after the discontinuance of trading and, as a result, these assets were not included in the AUM of the Corporation in fiscal 2009.

The AUM shown in the table on the previous page include commitments which have yet to be deployed. During fiscal 2009, Private Corporate Debt deployed approximately $170 million of commitments included in the AUM shown at September 30, 2008 resulting in commitment fees and future management fees. The decrease of approximately $89 million in AUM is the result of normal repayments by borrowers and the distribution of those funds to institutional clients.

The Real Estate Asset Management and Private Corporate Debt operations did not close any new funds during fiscal 2009 as they continued to deploy outstanding commitments. The rate of deployment was slower than anticipated at the beginning of the fiscal year and as a result commitment fees and management fees in fiscal 2009 were lower than expected.

SELECTED ANNUAL INFORMATION

$000's except per share amounts		2009		2008		2007
Revenues before performance fees [1]	$	**15,632**	$	18,743	$	18,817
Performance fees		**314**		7,186		9,369
Total revenues [1]	$	**15,946**	$	25,929	$	28,186
Net performance fees [2]	$	**285**	$	4,519	$	3,306
Earnings before interest, taxes depreciation and amortization ("EBITDA") [1][3]	$	**105**	$	6,824	$	6,152
Income (loss) from continuing operations before income taxes and non-controlling interest [1]	$	**(9,851)**	$	4,194	$	3,195
Net income (loss) and comprehensive income	$	**(6,544)**	$	1,894	$	1,780
Basic and diluted earnings (loss) per share	$	**(0.23)**	$	0.07	$	0.07
Dividends per share	$	**0.04**	$	0.08	$	0.07
Total assets	$	**23,910**	$	37,796	$	36,735
Total long-term financial liabilities	$	**446**	$	586	$	713
Common shares outstanding, end of year		**28,310**		28,568		28,488

(1) Excludes discontinued operations (Darton).

(2) Net performance fees is a non-GAAP financial measure used by the Corporation. This measure is calculated as performance fee revenue less investment adviser, service fees and expenses paid relating to performance fees revenue earned.

(3) EBITDA is a non-GAAP financial measure used by the Corporation. This measure is calculated as earnings before the deduction of non-controlling interest, interest expense, income taxes, depreciation and amortization, stock-based compensation and investment income (loss).

Revenues before performance fees of $15.6 million in fiscal 2009 were down $3.1 million from $18.7 million in fiscal 2008 primarily due to lower management fees in Retail Alternative Investments as AUM declined substantially in the last quarter of fiscal 2008 and in fiscal 2009.

Performance fees of $0.3 million in fiscal 2009 were realized; the majority of which were in the Managed Futures operations. In fiscal 2008, performance fees of $7.2 million were realized in both Real Estate Asset Management and Retail Alternative Investments. No real estate funds were scheduled for monetization during fiscal 2009.

EBITDA declined from $6.8 million in fiscal 2008 to $0.1 million in fiscal 2009 due to the virtual absence of performance fees in fiscal 2009 and to operating losses in Retail Alternative Investments as a result of the significant AUM decline during fiscal 2008 and 2009.

Given the losses at BluMont Capital, in the quarter ended March 31, 2009, the Corporation considered it appropriate to write off all goodwill and other intangible assets (fund management contract acquisition costs) associated with BluMont Capital. This resulted in a one-time non-cash charge to income of $7.7 million pre-tax and $5.8 million after tax.

IAM paid its regular semi-annual dividend of $0.04 per common share in January 2009. This dividend has been designated as eligible dividends by the Corporation pursuant to the guidelines issued by the Canada Revenue Agency.

In May 2009, IAM announced that its board of directors had decided to suspend the semi-annual dividend which would otherwise have been paid in June 2009 in order to preserve cash for potential acquisition opportunities and also as a result of BluMont Capital's operating losses.

FINANCIAL STATEMENTS

The accompanying Audited Consolidated Financial Statements included in this Annual Report comprise the results for the years ended September 30, 2009 and September 30, 2008.

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

OPERATING RESULTS

Income (Loss) and Earnings (Loss) Per Share

Net loss for the year ended September 30, 2009 was $6.5 million or $(0.23) per share compared with net income of $1.9 million or $0.07 per share for the year ended September 30, 2008. EBITDA decreased from $6.8 million in fiscal 2008 to $0.1 million in fiscal 2009.

In the quarter ended March 31, 2009, the Corporation wrote off all goodwill and other intangible assets (fund management contract acquisition costs) associated with BluMont Capital. This resulted in a non-cash charge of $7.7 million (pre-tax) and $5.8 million after tax ($0.20 per share).

EBITDA has declined $6.7 million as a result of lower net performance fees of $4.2 million ($0.3 million in fiscal 2009 and $4.5 million in fiscal 2008) and from increasing operating losses in BluMont Capital.

Reconciliation of EBITDA to Net Income(Loss) and Comprehensive Income

$000's except per share amounts		**2009**		2008
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	$	**105**	$	6,824
Depreciation and amortization		**(2,138)**		(2,323)
Interest expense		**(23)**		(64)
Stock-based compensation		**(123)**		(182)
Investment income (loss)		**53**		(61)
Impairment of goodwill and fund management contracts (1)		**(7,725)**		-
Income (loss) from continuing operations before income taxes and non-controlling interest		**(9,851)**		4,194
Income taxes		**2,369**		(1,511)
Non-controlling interest share of income		**(29)**		(1,027)
Gain on sale of discontinued operations, net of tax		**1,001**		-
Net income (loss) and comprehensive income from discontinued operations, net of tax		**(34)**		238
Net income (loss) and comprehensive income for the year	$	**(6,544)**	$	1,894

(1) During fiscal 2009, the Corporation recorded a non-cash accounting impairment charge to intangible assets in respect of goodwill and fund management contracts in the Retail Alternative Investments operations (see Note 6 of the Audited Consolidated Financial Statements).

Revenues

Total revenues, which are comprised of management fees, performance fees and other income, declined from $25.9 million in fiscal 2008 to $15.9 million in fiscal 2009. Management fees, administration and redemption fees declined by $2.8 million to $15.1 million in fiscal 2009 primarily as a result of a decline of approximately $3.6 million in aggregate management fees and redemption fees in Retail Alternative Investments. OreReserve, which was formed in March 2009, contributed $0.7 million in revenues for fiscal 2009. Management fees and commitment fees for the Real Estate Asset Management and Private Corporate Debt operations were relatively unchanged from fiscal 2008.

Performance fees were $0.3 million in fiscal 2009 compared with $7.2 million in fiscal 2008. Fiscal 2008's performance fees were comprised of $5.6 million from the monetization of one real estate investment pool (GPM 7) and $1.6 million of performance fees generated by Retail Alternative Investments in December 2007. No real estate funds were monetized during fiscal 2009 although an additional $0.1 million was recognized in fiscal 2009 as a result of the distribution of the remaining funds to GPM 7 investors. The majority of the performance fees realized in fiscal 2009 were from the Managed Futures operations.

Expenses

The Corporation reported consolidated expenses for the year ended September 30, 2009 of $25.8 million compared to $21.7 million for the year ended September 30, 2008. Excluding expenses relating to performance fees (nominal and $2.7 million in fiscal 2009 and 2008 respectively) and the non-cash impairment of goodwill and fund management contracts of $7.7 million in fiscal 2009 ($nil in fiscal 2008), expenses were $1.1 million lower in fiscal 2009 ($18.0 million in fiscal 2009 compared with $19.1 million in fiscal 2008). This lower level of expenses resulted from lower employee bonuses and service fees paid to dealers which declined due to lower AUM. Expenses of OreReserve's operations which commenced in fiscal 2009 were approximately $0.6 million.

The principal components of expenses are selling, general and administration ("SG&A") of $14.0 million (2008: $14.6 million), approximately 72% of which is salaries and related costs (2008: 70%).

In fiscal 2009, the Corporation paid investment adviser fees of $0.8 million, excluding the portion relating to performance fees, compared to $0.6 million in fiscal 2008. The increase in fees paid to third party investment advisers was due primarily to increased activity in the flow-through business managed by Retail Alternative Investments.

Servicing fees paid by the Corporation to dealers, excluding the portion relating to performance fees, were $0.9 million in fiscal 2009 compared to $1.3 million in fiscal 2008. The decrease is due primarily to lower AUM in Retail Alternative Investments in fiscal 2009.

Amortization of deferred sales commissions ("DSC") and fund management contracts was $1.9 million in fiscal 2009 compared with $2.1 million in fiscal 2008. The amortization of DSC declined from $0.6 million to $0.2 million in fiscal 2009. The Corporation incurred a modest amount of payments of sales commissions in fiscal 2008 and 2009 in part because new funds were launched without a DSC purchase option. As the amortization of DSC has exceeded payments in recent years, the DSC asset has progressively declined and was fully amortized at September 30, 2009 (see Note 8 of the Audited Consolidated Financial Statements).

The amortization of fund management contracts was $1.7 million in fiscal 2009 compared with $1.5 million in fiscal 2008. This increase is a result of the purchase of the remaining 25% of the Real Estate Asset Management operations in October 2008, whereby the Corporation's fund management contracts increased approximately $6.8 million (see Note 6 of the Audited Consolidated Financial Statements) and these costs are being amortized over 7 years. During fiscal 2009 the Corporation wrote-off all the net book value of the fund management contracts associated with BluMont Capital which will reduce amortization of fund management contracts in subsequent fiscal years.

In fiscal 2009, the Corporation had a current income tax recovery of $0.1 million and a future income tax recovery of $2.3 million. The future income tax recovery is primarily a non-cash accounting item resulting from the amortization of the future income tax liability which was set up when the fund management contracts were set up as an asset in the Corporation's Consolidated Balance Sheet (see Note 6 of the Audited Consolidated Financial Statements). As the amortization of this asset was accelerated this fiscal year due to the impairment charge, the reduction of this future income tax liability was similarly accelerated.

The current and future income tax assets and liabilities are recorded on the Consolidated Balance Sheet based on legislated future income tax rates, interpretation of tax legislation and assumptions about the realization and timing of future benefits and costs. Future income tax rates can be changed through legislation at any time and a small change in rates or in interpretation or timing could result in a significant change in the income taxes shown on the Consolidated Statements of Operations.

The current income taxes payable of $1.0 million as at September 30, 2009 are payable in the first quarter of fiscal 2010. The Corporation has income taxes recoverable of $0.6 million due to taxable losses in BluMont Capital which can be carried back against taxes paid in prior years.

Non-controlling interest share of income was nominal in fiscal 2009 compared with $1.0 million in fiscal 2008. The reduction is due to the Corporation's purchase, in October 2008, of the remaining 25% interest of the Real Estate Asset Management operations not already owned by IAM.

QUARTERLY SUMMARY

Revenues and EBITDA vary considerably from quarter to quarter depending on whether or not performance fees are realized. Products in Retail Alternative Investments are structured to permit the realization of performance fees generally on an annual or semi-annual basis which are Q1 and Q3 for IAM. In Q3, fiscal 2008, the Corporation realized performance fees of $5.6 million in Real Estate Asset Management but no performance fees in Retail Alternative Investments.

EBITDA in fiscal 2009 has declined from fiscal 2008 as a result of operating losses in Retail Alternative Investments due to lower AUM and as a result of lower net performance fees realized during the year.

Fiscal 2009

$000's, except per share amounts	Q1	Q2	Q3	Q4	Total
Revenues before performance fees [1]	**$ 3,876**	**$ 3,743**	**$ 4,188**	**$ 3,825**	**$ 15,632**
Performance fees	**172**	**-**	**4**	**139**	**314**
Total revenues [1]	**$ 4,048**	**$ 3,743**	**$ 4,192**	**$ 3,964**	**$ 15,946**
Net performance fees	**$ 167**	**$ -**	**$ 4**	**$ 114**	**$ 285**
EBITDA [1]	**$ 241**	**$ (184)**	**$ 195**	**$ (147)**	**$ 105**
Loss from continuing operations before income taxes and non-controlling interest [1]	**$ (748)**	**$ (8,607)**	**$ (144)**	**$ (352)**	**$ (9,851)**
Net income (loss) and comprehensive income	**$ 434**	**$ (6,398)**	**$ (125)**	**$ (455)**	**$ (6,544)**
Earnings (loss) per share	**$ 0.02**	**$ (0.23)**	**$ 0.00**	**$ (0.02)**	**$ (0.23)**

Fiscal 2008

$000's, except per share amounts	Q1	Q2	Q3	Q4	Total
Revenues before performance fees [1]	$ 4,416	$ 5,264	$ 4,572	$ 4,491	$ 18,743
Performance fees	1,509	-	5,676	1	7,186
Total revenues [1]	$ 5,925	$ 5,264	$ 10,248	$ 4,492	$ 25,929
Net performance fees	$ 746	$ -	$ 3,773	$ -	$ 4,519
EBITDA [1]	$ 1,126	$ 1,024	$ 3,908	$ 766	$ 6,824
Income (loss) from continuing operations before income taxes and non-controlling interest [1]	$ 476	$ 332	$ 3,703	$ (317)	$ 4,194
Net income (loss) and comprehensive income	$ 557	$ 66	$ 1,785	$ (514)	$ 1,894
Earnings (loss) per share	$ 0.02	$ 0.00	$ 0.06	$ (0.01)	$ 0.07

(1) Excludes discontinued operations (Darton).

CONSOLIDATED FINANCIAL POSITION AT SEPTEMBER 30, 2009

Estimate of unrealized performance fees

Unrealized performance fees can build up over time and are important to the Corporation. Unrealized performance fees are not reflected in the Consolidated Financial Statements and will only be reflected when realized. These unrealized performance fees are subject to the deduction of third party and corporate expenses.

($ 000's)	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2007
Real Estate Asset Management and Private Equity	$ 11,300	$ 9,000	$ 11,900
Retail Alternative Investments and Managed Futures	200	-	600
Total	**$ 11,500**	**$ 9,000**	**$ 12,500**

IAM manages investment products in which significant amounts of unrealized performance fees have built up because the performance to date has exceeded the applicable benchmarks. However, the excess returns have not yet been monetized.

Performance fees of Real Estate Asset Management are realized sporadically as they tend to be recognized generally towards the end of the life of the pool of assets being managed, which at times can be up to twelve years. Performance fees are expected to be realized in Real Estate Asset Management in fiscal 2010. There were no unrealized performance fees as at September 30, 2009 for Private Equity.

	Unrealized Performance Fees ($ millions)	Fiscal Year of Expected Realization
Segregated Account [(1)]	$ 5.0	2010
GPM 8	3.9	2011
GPM 9	1.9	2014
GPM 10	0.5	2017
GPM 11	0.0	2020
Total	**$ 11.3**	

(1) The Segregated Account includes substantial real estate properties which are in various stages of development. For these properties with an invested cost of approximately $260 million, third party appraisals were commissioned during fiscal 2009. Based on those appraisals, management has estimated the unrealized performance fees to be within the range of $4.5 million and $5.5 million. The table above reflects $5.0 million, the mid-point of this range as at September 30, 2009. Independent appraisals of these properties were not undertaken in prior fiscal years given the level of risks and uncertainties inherent in the valuation of projects under construction.

Any estimate of unrealized performance fees is subject to significant change, given the various stages of development of the properties, the period to realization and the volatile nature of the real estate market. Accordingly, the estimate of unrealized performance fees shown could be substantially over or understated. Excluding the Segregated Account, the unrealized performance fees declined from $9.0 million at September 30, 2008 to $6.3 million at September 30, 2009 primarily as a result of lower property values.

Performance fees of Retail Alternative Investments and Managed Futures are generally recognized on an annual basis or semi-annual basis (June 30 and December 31).

During fiscal 2009, performance fees of $0.3 million were realized by the Corporation; the majority from the Managed Futures operations.

Liquidity and capital resources

The Corporation's primary liquidity requirement is to generate sufficient cash flow to meet its operating obligations on a continuous basis.

At September 30, 2009, the Corporation's net liquid assets (excluding the net assets of discontinued operations and future income taxes) decreased to $8.0 million compared to $13.3 million as at September 30, 2008.

During the first quarter of fiscal 2009, the Corporation completed the acquisition of the remaining 25% shareholding of the Real Estate Asset Management operations, including Darton. The cash consideration, excluding interest and costs, was approximately $5.2 million.

In December 2008, the Corporation sold 100% of Darton for $3.0 million cash and additional contingent consideration.

Cash flow from continuing operations (which is a non-GAAP measure) and dividends paid in fiscal years 2007 to 2009 are summarized below:

$000's except per share amounts		**2009**		2008		2007
Cash provided by (used in) continuing operating activities [1]	**$**	**(2,294)**	$	5,022	$	4,297
Net change in non-cash balances relating to operations [1]		**2,455**		(459)		377
Cash flow from continuing operations [1]	**$**	**161**	$	4,563	$	4,674
Cash flow from continuing operations per share [2]	**$**	**0.01**	$	0.16	$	0.18
Dividends per share	**$**	**0.04**	$	0.08	$	0.07

(1) These amounts are shown on the Consolidated Statements of Cash Flows in the Consolidated Financial Statements. Cash flow from discontinued operating activities (Darton) has been excluded.

(2) Calculated by dividing cash flow from continuing operations by the weighted average number of shares outstanding in the fiscal year.

In May 2009, IAM announced that its board of directors had decided to suspend the semi-annual dividend which would have otherwise been payable in June 2009. The declaration and payment of dividends are at the sole discretion of the Corporation's board of directors and the reinstatement of dividends will be dependent on the Corporation's earnings, financial resources and capital requirements.

The non-controlling interest of $0.7 million as at September 30, 2009 has declined from $2.1 million from the previous fiscal year end primarily as a result of the acquisition of the remaining 25% shareholding of the Real Estate Asset Management operations. As at September 30, 2009, the principal components of the non-controlling interest are the interests of employees and former employees of IAM in the investments in a fund managed by the Corporation ($0.4 million) and a retired employee's 25% residual interest in certain performance fees and real estate (see Note 13).

The future income tax liability of $1.8 million (including the current portion of $0.3 million) as at September 30, 2009 is not a cash liability of the Corporation but is an accounting item resulting from the accounting for the acquisitions in fiscal 2009 and prior fiscal years. This future income tax liability is derived from the setting up of fund management contracts as an asset on the balance sheet ($5.8 million at September 30, 2009), and both are being amortized over 7 years.

At September 30, 2009, the Corporation had 28.3 million common shares outstanding (September 30, 2008 – 28.6 million) representing capital stock of $20.1 million (September 30, 2008 - $20.2 million). At December 4, 2009, the Corporation had 28.3 million common shares outstanding.

The Corporation has a single real estate investment acquired by the Corporation in fiscal 2003. The investment is not part of the Corporation's business activities and is included under Other Assets (see Note 8 of the Audited Consolidated Financial Statements) with a book value of approximately $0.9 million. Certain steps were taken during fiscal 2009 to enhance the value of the property and this delayed the expected sale of the property. The Corporation expects to market the property in fiscal 2010 and realize a material gain, based on current market conditions, on the disposition which will increase the Corporation's cash resources.

As part of the formation of OreReserve, the Corporation undertook to purchase shares of Augen (TSXV: AUG) through market transactions and completed this undertaking in October 2009 by acquiring an ownership position of approximately 8.9% at a cost of approximately $0.4 million.

The Corporation considers that the current economic uncertainties may present attractive acquisition and merger opportunities for IAM in both the retail and institutional sectors of the asset management industry in Canada. These opportunities may require cash investments by the Corporation. In addition, the earnings outlook for the Corporation is constrained given the decline in AUM in Retail Alternative Investments and the associated operating losses in those operations.

FINANCIAL OUTLOOK

In fiscal 2007 and 2008 the Corporation was successful in increasing revenues and income before the impact of performance fees primarily as a result of the deployment of AUM. The Corporation also realized significant performance fees in both fiscal 2007 and 2008.

During fiscal 2008, the Corporation increased AUM at the Real Estate Asset Management and Private Corporate Debt operations through the closing of new funds with significant commitments. The Corporation deployed some of those commitments during fiscal 2009 and expects to deploy the outstanding commitments during fiscal 2010 thereby increasing future fee revenue.

All asset management companies and their retail and institutional clients have been adversely affected to varying degrees by the global financial crisis, the effects of which continued into 2009 and will likely continue into 2010. In fiscal 2009, IAM's revenues and profitability were adversely impacted, in particular in Retail Alternative Investments which experienced a significant decline in AUM during the last quarter of fiscal 2008 and this decline continued into fiscal 2009. The Corporation effected measures to reduce operating expenses including reducing staff levels and merging small, unprofitable funds. These actions have reduced operating losses and BluMont Capital has refocused its resources into building Exemplar Portfolios launched in fiscal 2008. There have been net sales in the funds but at modest levels and the level of AUM will need to increase for BluMont Capital to return to profitability before the impact of any performance fees.

IAM expects to realize performance fees in fiscal 2010 in the range of approximately $4.5 million to $5.5 million in the Real Estate Asset Management operations. These unrealized performance fees are subject to the deduction of third party and corporate expenses.

The Corporation has a single real estate investment which it expects to monetize and realize a material gain in fiscal 2010.

While the effects of the global financial crisis have had significant financial implications in 2009, IAM remains well positioned over the longer term. The Corporation's alternative asset products continue to attract investors and we see growing opportunities in the retail and institutional markets. IAM has experienced growing interest in its asset classes and continues to seek other alternative asset classes to add to the IAM portfolio.

CRITICAL ACCOUNTING ESTIMATES

Revenue Recognition

Management fees are calculated as a percentage of AUM and this revenue is recognized when it is earned.

Performance fees are calculated by applying an agreed upon formula as a percentage of the fund investment returns. Performance fees are recognized as revenue only when they are realized. Depending on the terms of the funds, performance fees in Retail Alternative Investments are calculated and recognized periodically, typically June 30 and December 31.

Investments in Funds Managed by the Corporation

The Corporation accounts for its investments in funds managed by the Corporation in accordance with CICA Handbook Section 3855, *Financial Instruments — Recognition and Measurement*. Investments in funds managed by the Corporation are classified as either held for trading securities or available for sale securities that do not have a quoted market price in an active market.

Business Acquisitions

The allocation of the purchase price by the Corporation to the assets purchased and liabilities assumed required management to make certain estimates of value. The excess of the purchase price over the amounts assigned to the assets acquired and liabilities assumed is referred to as goodwill.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are subject to impairment tests whereby significant judgement is required in the selection of methodology to estimate fair value, including the determination of the appropriate underlying assumptions. These subjective judgements will affect the estimates of the fair value of goodwill and other intangible assets and any associated impairment charges or write-downs that result from those estimates.

CHANGES IN ACCOUNTING POLICIES

Effective December 1, 2008, the Corporation adopted CICA Handbook Section 3064, *Goodwill and Intangible Assets*. The standard clarifies that costs can be deferred only when they relate to an item that meets the definition of an asset, and as a result, start-up costs must be expensed as incurred. This standard did not affect the Corporation's consolidated financial position or results of operations.

Effective October 1, 2007, the Corporation adopted CICA Handbook Section 1506, *Accounting Changes*, CICA Handbook Section 1535, *Capital Disclosures*, CICA Handbook Section 3862, *Financial Instruments - Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation*.

Accounting Changes prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. This standard did not affect the Corporation's consolidated financial position or results of operations.

Capital Disclosures requires that the Corporation disclose information that enables users of its financial statements to evaluate the Corporation's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance.

CICA Handbook Sections 3862 and 3863 replace CICA Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Corporation manages those risks.

FUTURE ACCOUNTING CHANGES

International Financial Report Standards

The CICA Accounting Standards Board requires all Canadian publicly accountable enterprises to adopt International Financial Reporting Standards ("IFRS") for years beginning on or after January 1, 2011. The Corporation will adopt IFRS for the fiscal year 2012 starting October 1, 2011. The fiscal 2012 Consolidated Financial Statements will include comparative 2011 financial results under IFRS.

Although much of Canadian GAAP is similar to IFRS, there are some GAAP differences that may significantly impact the Corporation's processes and financial results. The Corporation is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and training staff. Currently, management has not fully determined the impact to the financial statements and any potential business impacts.

Business Combinations, Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements* and 1602, *Non-Controlling Interests* which replace CICA Handbook Sections 1581, *Business Combinations* and 1600, *Consolidated Financial Statements*. Handbook Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Handbook Section 1601 together with Handbook Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Corporation’s interim and annual consolidated financial statements for its fiscal year beginning October 1, 2011. Early adoption of these sections is permitted and all three sections must be adopted concurrently. The Corporation has not adopted these three new sections for its current reporting period.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet financial arrangements and no material contractual obligations other than those described in the 2009 Annual Report.

RELATED PARTY TRANSACTIONS

There were no material related party transactions other than those described in the 2009 Annual Report and the Management Information Circular of the Corporation dated December 4, 2009.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation maintains a set of disclosure controls and procedures (“DC&P”) and internal controls over financial reporting (“ICFR”). The DC&P has been designed to provide reasonable assurance that material information relating to the Corporation is made known to the Corporation’s Chief Executive Officer and Chief Financial Officer by the other officers of the Coporation, particularly during the period in which the annual filings are being prepared; and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation’s Generally Accepted Accounting Principles.

Consistent with National Instrument 52-109, the Corporation’s Chief Executive Officer and Chief Financial Officer have evaluated the DC&P and ICFR as of September 30, 2009 and concluded that the controls have been designed and are operating effectively.

CHANGES TO INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in the Corporation's internal controls over financial reporting that occurred during fiscal 2009 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

RISKS AND UNCERTAINTIES

Similar to other asset management companies, IAM faces risks and uncertainties that can be managed but not eliminated. The Corporation has various corporate governance policies and procedures which are revised periodically. These policies and procedures require specific business units to assist in the identification, assessment and control of these risks. Major risks and uncertainties associated with IAM include:

1. Poor investment performance (market risk)
2. Implementation of business strategy
3. Lack of client diversification
4. Lack of product diversification
5. Operational risk
6. Loss of key employees

Poor investment performance can lead to a loss of AUM resulting in lower revenues and an adverse impact on profitability. To mitigate this risk, IAM has diversified across several different alternative asset classes unrelated to each other: Private Corporate Debt, Real Estate and Retail Alternative Investments products. In addition, new products are continuously being developed and additional asset class categories sought.

Overall, IAM's strategy of managing several alternative asset classes partially mitigated the adverse impact of the global financial crisis in 2008 and 2009. However, the AUM of Retail Alternative Investments were significantly adversely impacted during the last quarter of fiscal 2008 and into fiscal 2009, which resulted in lower revenues and adversely affected the profitability in this asset class in fiscal 2009 and this will likely continue into 2010.

A risk arises when significant revenues generated by a corporation are contributed by one client or a group of related clients. The Corporation offers several different alternative asset classes for clients to invest in and there are few clients or related client groups that currently invest in more than one alternative asset class product of the Corporation. Three unrelated clients of IAM, in aggregate, accounted for approximately 31% of AUM at September 30, 2009 and approximately 28% of IAM's total revenues for the year then ended.

A further risk arises when significant reliance is placed on a specific product or family of products. The Corporation has several different operating divisions, each specializing in a different alternative asset class that contributes to the operations of the Corporation. As a result, the Corporation offers several different products for clients to invest in and therefore the Corporation has implicitly diversified its line of products.

At September 30, 2009, BluMont Man products represented approximately 40% (2008 - 56%) of the AUM of BluMont Capital at that date or approximately 6% (2008 - 10%) of IAM's aggregate AUM. Although BluMont Capital has begun to develop and market more investment products other than the BluMont Man products, a significant portion of the revenue of BluMont Capital for fiscal 2009 and subsequent years will likely be represented by these BluMont Man products. The revenue from these products will be determined by Man Investment's investment performance, market support and other factors over which BluMont Capital may have little or no influence.

The unprecedented events in global financial markets during fiscal 2008 that continued into fiscal 2009 proved challenging for a large number of principal protected note products guaranteed by major financial institutions ("PPNs"). As a result of negative performances, over 100 PPNs in Canada have experienced a "protection event" whereby the fund holding the assets of the PPN discontinues trading and the remaining assets are held by the financial institution to meet its obligation to repay the principal amount in full at maturity. In the first quarter of fiscal 2009, BluMont Capital announced that the BluMont Man PPNs (Man Multi Strategy Note Program) had discontinued trading and that the remaining trading capital was transferred to the issuer, Citibank Canada, to ensure repayment of principal at maturity. The AUM of the affected notes were approximately $140 million at that time and the Corporation will not receive fees on these assets since the discontinuance of trading.

One aspect of operational risk facing the Corporation is revenue volatility. It is caused by changes in business and economic conditions and public expectations of the markets. Poor equity markets and economic and political uncertainty are just a few variables that contribute to increasing revenue volatility. To manage this risk, IAM continues to diversify its product line to promote alternatives for our client base and by offering superior risk-adjusted returns that have low correlation to equity and fixed income markets.

Another aspect of operating risk is the Corporation's ability to accumulate, process and communicate information necessary to conduct business. At this stage of the Corporation's life, this aspect of operational risk is minimal. The Corporation anticipates that with further anticipated growth, the current methodology in place will require advancement. In fiscal 2007, the Corporation moved to one office location thereby accelerating the implementation of a process that accumulates, processes and communicates information necessary to conduct business efficiently and effectively.

All senior employees of IAM are considered to be important in the performance of the Corporation. IAM has ensured that each senior employee has been compensated accordingly with some combination of salary, bonus and stock incentives. While some employee turnover is expected, IAM makes every effort to prevent the loss of key employees. Many senior employees are shareholders in the Corporation, owning together with the directors and officers of the Corporation, in excess of 57% of the outstanding common shares as at December 4, 2009 and the number of employees who own shares is similar to that of fiscal 2008.

Additional risk factors that may affect the Corporation are in the Corporation's most recent Annual Information Form.

OTHER INFORMATION

Additional information about the Corporation, including its most recent Annual Information Form and Management Information Circular, is located on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

MANAGEMENT'S STATEMENT ON FINANCIAL REPORTING

The Corporation's management is responsible for the integrity, objectivity, reliability and fairness of presentation of the accompanying consolidated financial statements and all information in this Annual Report. The consolidated financial statements and Management's Discussion and Analysis have been approved by the Board of Directors. The consolidated financial statements have been prepared by management, in accordance with accounting principles generally accepted in Canada and where appropriate reflect management's judgement and best estimates. Preparation of financial statements necessarily requires inclusion of amounts which have been based on management's best estimates, which have been made using careful judgement. Financial information contained elsewhere in this Annual Report are consistent with the consolidated financial statements.

The Corporation's management is responsible for maintaining systems of internal accounting and administrative controls that provide reasonable assurance that assets are safeguarded from loss or unauthorized use and produce reliable accounting records for the preparation of financial information. Such systems are designed to meet the management needs of a growing business and to provide assurance that financial information is accurate and reliable in all material respects, consistent with reasonable costs. The Corporation's management believes that such systems are operating effectively and that the systems of internal controls meet management's responsibilities for the integrity of the consolidated financial statements.

The Audit Committee of the Board of Directors, all of whom are independent directors, meets with management and the auditors to discuss the Corporation's financial reporting and internal control. The Committee meets at least quarterly with management to satisfy itself that management is properly discharging their responsibilities. The Committee, among other things, reviews financial matters related to Corporate Governance, the quality of audits and financial reporting and maintains practices intended to preserve the independence of the external auditors including a review of their economic independence. The Audit Committee reviews the consolidated financial statements, the independent auditors' report and the annual and quarterly reports to the shareholders prior to submitting the information to the Board of Directors for approval. Both the independent auditors and the Audit Committee have the right to request a meeting in the absence of management at any time.

Management recognizes its responsibility to conduct the Corporation's affairs in the best interest of its shareholders.

VICTOR KOLOSHUK
Chairman, President and Chief Executive Officer
December 4, 2009

AUDITORS' REPORT

TO THE SHAREHOLDERS OF INTEGRATED ASSET MANAGEMENT CORP.

We have audited the consolidated balance sheets of Integrated Asset Management Corp. as at September 30, 2009 and 2008 and the consolidated statements of operations, comprehensive income and retained earnings (deficit) and cash flows for each year in the two-year period then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at September 30, 2009 and 2008 and the results of its operations and its cash flows for each year in the two-year period then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP
Chartered Accountants,
Licensed Public Accountants
Toronto, Canada
December 4, 2009

CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND RETAINED EARNINGS (DEFICIT)

Years Ended September 30	2009	2008
Revenue		
Management fees, administration and redemption fees	**$ 15,120,971**	$ 17,879,575
Performance fees	**314,187**	7,186,130
Interest and other income	**457,849**	924,590
Investment income (loss) (Note 10)	**53,321**	(61,229)
	15,946,328	25,929,066
Expenses		
Selling, general and administration	**14,045,177**	14,613,328
Stock-based compensation (Notes 9 and 11)	**122,854**	182,149
Investment adviser fees	**833,159**	573,231
Service fees paid to dealers	**880,772**	1,312,762
Investment adviser, service fees and expenses paid relating to performance fees revenue earned	**28,512**	2,666,967
Depreciation of property and equipment	**205,251**	223,472
Amortization of deferred sales commissions and fund management contracts	**1,933,428**	2,099,647
Impairment of goodwill and fund management contracts (Note 6)	**7,724,934**	-
Interest expense	**22,938**	63,738
	25,797,025	21,735,294
Income (loss) from continuing operations before income taxes and non-controlling interest	**(9,850,697)**	4,193,772
Income taxes (recovery) (Note 12)		
Current	**(77,724)**	2,211,959
Future	**(2,291,457)**	(701,299)
	(2,369,181)	1,510,660
Income (loss) from continuing operations before non-controlling interest	**(7,481,516)**	2,683,112
Non-controlling interest share of income	**(29,301)**	(1,026,524)
Net income (loss) and comprehensive income from continuing operations for the year	**(7,510,817)**	1,656,588
Gain on sale of discontinued operations, net of tax (Note 4)	**1,001,574**	-
Net income (loss) and comprehensive income from discontinued operations, net of tax (Note 4)	**(34,402)**	237,769
Net income (loss) and comprehensive income for the year [(1)]	**$ (6,543,645)**	$ 1,894,357
Basic and diluted earnings (loss) per share from continuing operations	**$ (0.26)**	$ 0.06
Basic and diluted earnings (loss) per share	**$ (0.23)**	$ 0.07
Weighted average number of shares outstanding Basic and diluted	**28,397,311**	28,551,710
Retained earnings, beginning of year	**$ 3,221,666**	$ 3,611,179
Net income (loss)	**(6,543,645)**	1,894,357
Dividends paid (Note 16)	**(1,133,834)**	(2,283,870)
Retained earnings (deficit), end of year	**$ (4,455,813)**	$ 3,221,666

(1) The Corporation has no Accumulated Other Comprehensive Income as at September 30, 2009 and 2008 (Note 9)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

September 30	2009	2008
Assets		
Current		
Cash and cash equivalents	**$ 6,285,244**	$ 11,109,633
Receivables	**3,293,667**	4,748,637
Income taxes recoverable	**596,640**	-
Prepaids	**349,010**	385,652
Investments in funds managed by the Corporation (Note 7)	**1,853,765**	4,064,294
Other assets (Note 8)	**87,167**	355,207
Future income taxes (Note 12)	**15,483**	230,614
Assets of discontinued operations (Note 4)	**-**	2,126,152
	12,480,976	23,020,189
Property and equipment (Note 5)	**652,658**	775,931
Fund management contracts (Note 6)	**5,820,171**	7,782,538
Goodwill (Note 6)	**1,578,471**	2,243,330
Investments in funds managed by the Corporation (Note 7)	**1,017,068**	954,984
Other assets (Note 8)	**2,180,912**	2,319,303
Future income taxes (Note 12)	**179,252**	95,333
Assets of discontinued operations (Note 4)	**-**	604,322
	$ 23,909,508	$ 37,795,930
Liabilities		
Current		
Payables and accruals	**$ 3,138,499**	$ 5,323,744
Deferred revenue	**323,652**	252,501
Income taxes payable	**971,415**	1,778,389
Future income taxes (Note 12)	**335,919**	430,614
Liabilities of discontinued operations (Note 4)	**-**	965,548
	4,769,485	8,750,796
Tenant inducements and deferred revenue	**445,813**	585,626
Future income taxes (Note 12)	**1,453,763**	1,708,301
	6,669,061	11,044,723
Non-controlling interest	**691,636**	2,059,101
Non-controlling interest of discontinued operations (Note 4)	**-**	404,135
	691,636	2,463,236
Shareholders' equity		
Capital stock (Note 9)	**20,109,870**	20,192,387
Contributed surplus (Note 9)	**894,754**	873,918
Retained earnings (deficit)	**(4,455,813)**	3,221,666
	16,548,811	24,287,971
	$ 23,909,508	$ 37,795,930

Commitments (Note 15)

On behalf of the Board

Director Director

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30	2009	2008
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net income (loss)	**$ (6,543,645)**	$ 1,894,357
Loss (earnings) from discontinued operations, net of tax	**34,402**	(237,769)
Gain on sale of discontinued operations, net of tax	**(1,001,574)**	-
Non-cash items (Note 14)	**7,672,312**	2,905,964
	161,495	4,562,552
Net change in non-cash balances relating to operations (Note 14)	**(2,455,566)**	459,010
Net cash provided by (used in) continuing operating activities	**(2,294,071)**	5,021,562
Net cash provided by (used in) discontinued operating activities	**(396,699)**	418,725
Cash provided by (used in) operating activities	**(2,690,770)**	5,440,287
Financing activities		
Dividends paid to shareholders (Note 16)	**(1,133,834)**	(2,283,870)
Dividends paid to non-controlling interests	**(703,621)**	(125,000)
Repayment of management loans	**144,832**	159,513
Repayment of long-term debt	**-**	(1,300,000)
Issuance of common shares on exercise of stock options	**-**	80,000
Repayment of capital lease obligations	**-**	(2,260)
Cash used in continuing financing activities	**(1,692,623)**	(3,471,617)
Investing activities		
Payment of sales commissions	**(4,420)**	(9,604)
Investment in funds managed by the Corporation	**(1,927,884)**	(6,100,000)
Proceeds from funds managed by the Corporation	**4,131,600**	2,575,460
Acquisition of non-controlling shareholders' interest in subsidiary	**(6,101,837)**	-
Proceeds on sale of discontinued operations of $3.0 million less subsidiary cash	**2,084,894**	-
Purchase of property and equipment	**(81,978)**	(180,489)
Purchase of other assets	**-**	(199,390)
Purchase of fund management contracts	**-**	(824,985)
Cash used in continuing investing activities	**(1,899,625)**	(4,739,008)
Cash used in discontinued investing activities	**(5,165)**	(43,438)
Cash used in investing activities	**(1,904,790)**	(4,782,446)
Decrease in cash and cash equivalents	**(6,288,183)**	(2,813,776)
Cash and cash equivalents, beginning of year	**12,573,427**	15,387,203
Cash and cash equivalents, end of year	**$ 6,285,244**	$ 12,573,427
Cash and cash equivalents related to:		
Continuing operations	**$ 6,285,244**	$ 11,109,633
Discontinued operations	**-**	1,463,794
	$ 6,285,244	$ 12,573,427

See accompanying notes to the consolidated financial statements.

1. ORGANIZATION

Integrated Asset Management Corp. (the "Corporation" or "IAM") is incorporated under the laws of Ontario and its common shares are listed on the TSX. The Corporation’s principal business is alternative asset management and operates in one geographic segment (Canada).

2. CHANGES IN ACCOUNTING POLICIES

Financial instruments and capital disclosures

Effective October 1, 2007, the Corporation adopted the Canadian Institute of Chartered Accountants’ (“CICA”) Handbook Section 3862, Financial Instruments – Disclosures and CICA Handbook Section 3863, Financial Instruments – Presentation replacing CICA Handbook Section 3861, Financial Instruments – Disclosures and Presentation. The Corporation also adopted CICA Handbook Section 1535, Capital Disclosures effective October 1, 2007.

The new Handbook Sections 3862 and 3863 provide comprehensive requirements for the disclosures and presentation of financial instruments. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Handbook Section 1535 focuses attention on disclosures relating to capital. This new section specifies the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Handbook Sections 3862 and 3863 replace Handbook Section 3861, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements.

Under these new standards, all financial instruments, including derivatives, are included on the consolidated balance sheet and are measured either at fair market value or, in limited circumstances, at cost or amortized cost.

Goodwill, intangible assets and financial statement concepts

Effective December 1, 2008, the CICA's new accounting standard Handbook Section 3064, Goodwill and Intangible Assets was adopted. The standard clarifies that costs can be deferred only when they relate to an item that meets the definition of an asset, and as a result, start-up costs must be expensed as incurred. Handbook Section 1000, Financial Statements Concepts, was also amended to provide consistency with Handbook Section 3064. These standards did not have any impact on the financial position or earnings of the Corporation.

Future accounting changes

The CICA Accounting Standards Board requires all Canadian publicly accountable enterprises to adopt International Financial Reporting Standards ("IFRS") for years beginning on or after January 1, 2011. The Corporation will adopt IFRS for the fiscal year 2012 starting October 1, 2011. The fiscal 2012 Consolidated Financial Statements will include comparative 2011 financial results under IFRS.

Although much of Canadian generally accepted accounting principles (“GAAP”) is similar to IFRS, there are some differences that may significantly impact the Corporation's processes and financial results. The Corporation is currently in the planning phase of the conversion. This includes identifying the differences between existing Canadian GAAP and IFRS, identifying potential business impacts, developing the project plan, assessing resource requirements and training staff. Currently, management has not fully determined the impact to the financial statements and any potential business impacts.

Business combinations, financial statements and non-controlling interests

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, 1601, Consolidated Financial Statements and 1602, Non-Controlling Interests which replace CICA Handbook Sections 1581, Business Combinations and 1600, Consolidated Financial Statements. Handbook Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Handbook Section 1601 together with Handbook Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Corporation’s interim and annual consolidated financial statements for its fiscal year beginning October 1, 2011. Early adoption of these sections is permitted and all three sections must be adopted concurrently. The Corporation has not adopted these three new sections for its current reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Basis of presentation

The consolidated financial statements include the accounts of the Corporation and the following subsidiaries:

GPM Investment Management ("GPM") (a partnership)	100%	(1)
Darton Property Advisors & Managers Inc. ("Darton") (2)	100%	(1)
Integrated Private Debt Corp. ("IPD")	100%	
BluMont Capital Inc. ("BluMont Capital")	100%	
Integrated Managed Futures Corp. ("IMFC")	77.5%	(3)
OreReserve Asset Management Inc. ("OreReserve")	51%	(4)
Integrated Partners		
Integrated Management Limited ("IML")	100.0%	
Integrated Partners Holding GP One Limited ("IPHGPOL")	57.8%	

(1) 100% effective October 23, 2008 (Note 13)
(2) Wholly-owned by GPM. Effective December 1, 2008, Darton was sold (Note 4)
(3) Includes 32.5% owned by BluMont Capital
(4) Incorporated January 23, 2009

Use of estimates

The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts, and short term investments with maturities of three months or less.

Income taxes

The Corporation provides for income taxes using the asset and liability method of tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets, liabilities and unused tax loss carryforwards and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recognized to the extent that the recoverability of future income tax assets is not considered more likely than not.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation based on the estimated useful life of the asset is calculated as follows:

Furniture and fixtures	20% diminishing balance basis
Computer hardware and software	30% diminishing balance basis
Leasehold improvements	straight line over the term of the lease

Investments in funds managed by the Corporation

Investments in funds managed by the Corporation are classified as either held for trading securities or available for sale securities that do not have a quoted market price in an active market. Held for trading securities are securities that the Corporation purchases for resale over a short period of time. These securities are reported at their fair value on the Consolidated Balance Sheet and mark-to-market adjustments and any gains and losses on the sale of these securities are reported in the Consolidated Statement of Operations under investment income (loss). Available for sale securities that do not have a quoted market price in an active market are measured at cost on the Consolidated Balance Sheet of the Corporation and there is no impact to the Consolidated Statement of Operations unless there is an other than temporary impairment in value or realization on disposal during the year.

Fund management contracts

Fund management contracts are recorded net of any write-down for impairment. The Corporation evaluates the carrying value of fund management contracts for potential impairment based on estimated future cash flows. These evaluations are performed on an annual basis, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is written off to income. During the year ended September 30, 2009, the Corporation recorded a non-cash impairment charge of $7.1 million in respect of fund management contracts as a result of the losses experienced in BluMont Capital's operations (see Note 6).

Fund management contracts are amortized on a straight-line basis over seven years.

Goodwill

Goodwill is tested for impairment at least annually. This evaluation is performed on an annual basis, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment would be written off to income. During the year ended September 30, 2009, the Corporation recorded a non-cash impairment charge to goodwill of $0.6 million as a result of the losses experienced in BluMont Capital's operations (see Note 6). An impairment test was performed again as at September 30, 2009 and in management's judgement, it was determined that there is no further impairment in the value of the remaining goodwill that is reported in these audited consolidated financial statements.

Revenue recognition

Management and administration fees are based upon the net asset value of the respective funds and are recognized on an accrual basis. Performance fees are recognized when management is assured of their realization. Redemption fees payable by unitholders of deferred sales charge funds, the sales commissions of which have been financed by the Corporation, are recognized as revenue on the trade date of the redemption of the applicable fund security.

Earnings (loss) per share

Earnings (loss) per share amounts are based on the application of the treasury stock method for the calculation of the dilutive effect of stock options and other dilutive securities. Basic per share amounts are determined by dividing income by the weighted average number of shares outstanding during the year. Diluted per share amounts are determined by adjusting the weighted average number of shares outstanding for any dilutive effect of stock options.

For diluted per share amounts, the effect of options for 2,226,469 shares in fiscal 2009 (2008 – 1,689,098 shares) have not been reflected as to do so would be anti-dilutive.

Stock-based compensation

The Corporation applies the fair value based method of accounting for stock options granted to employees for awards granted on or after October 1, 2002. Further information on the Corporation's stock-based compensation is explained in Note 11 to the consolidated financial statements.

Tenant inducements

Tenant inducements are deferred and amortized on a straight-line basis over the term of the respective lease.

4. DISCONTINUED OPERATIONS

On December 1, 2008, the Corporation sold its entire ownership in Darton for $3.0 million cash and additional contingent consideration. The contingent consideration will be payable to the Corporation in 2009 through 2013 if certain revenue targets are reached by Darton. There was no contingent consideration earned during 2009.

Management of the Corporation determined that the sale of Darton satisfied the criteria for disclosing discontinued operations at September 30, 2008. Accordingly, Darton's operations for the 2009 and 2008 fiscal years have been reported as discontinued operations.

Years ended September 30		**2009**		2008
Revenue	**$**	**766,798**	$	4,792,636
Net earnings from discontinued operations, net of tax	**$**	**967,172** (1)	$	237,769
Basic and diluted earnings per share of discontinued operations	**$**	**0.03** (1)	$	0.01

(1) Includes gain on sale of discontinued operations, net of tax of $1,001,574.

The carrying values of the assets and liabilities of the discontinued operations are as follows:

As at September 30		**2009**		2008
Current assets of discontinued operations				
Cash and cash equivalents	**$**	**-**	$	1,463,794
Receivables and prepaids		**-**		662,358
	$	**-**	$	2,126,152
Long-term assets of discontinued operations				
Property and equipment	**$**	**-**	$	122,095
Future income taxes		**-**		50,027
Goodwill		**-**		432,200
	$	**-**	$	604,322
Current liabilities of discontinued operations				
Payables and accruals	**$**	**-**	$	920,603
Income taxes payable		**-**		44,945
	$	**-**	$	965,548
Non-controlling interest of discontinued operations	**$**	**-**	$	404,135

Details of the gain on sale of discontinued operations are as follows:

Proceeds on sale	**$**	**3,000,000**
Carrying value of net assets		**(1,654,445)**
Gain on sale before income taxes		**1,345,555**
Income taxes		**(343,981)**
	$	**1,001,574**

5. PROPERTY AND EQUIPMENT

	2009	2008
Cost		
Furniture and fixtures	**$ 218,628**	$ 215,700
Computer hardware and software	**1,609,665**	1,538,433
Leasehold improvements	**462,347**	455,021
	$ 2,290,640	$ 2,209,154
Accumulated depreciation		
Furniture and fixtures	**$ 145,539**	$ 132,415
Computer hardware and software	**1,294,119**	1,175,043
Leasehold improvements	**198,324**	125,765
	$ 1,637,982	$ 1,433,223
Net book value		
Furniture and fixtures	**$ 73,089**	$ 83,285
Computer hardware and software	**315,546**	363,390
Leasehold improvements	**264,023**	329,256
	$ 652,658	$ 775,931

6. FUND MANAGEMENT CONTRACTS AND GOODWILL

	2009	2008
Fund management contracts	**$ 17,047,004**	$ 10,256,804
Accumulated amortization	**(11,226,833)**	(2,474,266)
	$ 5,820,171	$ 7,782,538

Fund management contracts are contracts between the Corporation and the funds acquired by the Corporation which set out the management services to be provided by the Corporation to those funds and the fees payable to the Corporation for those services.

In October 2008, the Corporation recorded an amount of approximately $7.2 million to fund management contracts in respect of the purchase of the 25.025% interest in GPM that it did not already own (see Note 13). On December 1, 2008, $0.4 million of fund management contracts were disposed of when the Corporation sold its entire ownership in Darton (see Note 4).

For accounting purposes, at the time the fund management contracts were set up as an asset on the balance sheet, an associated future income tax liability was also recorded. Both the fund management contracts asset and the associated future income tax liability are being amortized over 7 years.

During the year ended September 30, 2009, the Corporation recorded a non-cash impairment of goodwill and fund management contracts in the aggregate of $7.7 million, comprising $0.6 million in respect of goodwill and $7.1 million in respect of fund management contracts. This impairment charge is the result of the losses experienced in BluMont Capital's operations. The goodwill and fund management contracts in BluMont Capital have been written down to $nil.

An impairment test was performed again as at September 30, 2009 and in management's judgement, it was determined that there is no further impairment in the value of the remaining fund management contracts and goodwill that is reported in these audited financial statements.

7. INVESTMENTS IN FUNDS MANAGED BY THE CORPORATION

	2009	2008
Held for trading securities, positions held long	$ 2,018,441	$ 4,166,886
Available for sale securities, positions held long	852,392	852,392
	2,870,833	5,019,278
Less amount included in current assets	(1,853,765)	(4,064,294)
	$ 1,017,068	$ 954,984

During the year, the Corporation monetized approximately $4.1 million in funds managed by the Corporation that had previously been categorized as held for trading. The Corporation also invested $1.9 million in funds managed by the Corporation during fiscal 2009 that have been categorized as held for trading.

8. OTHER ASSETS

	2009	2008
Management loans (a)	$ 87,167	$ 408,539
Receivable from fund managed by the Corporation (b)	1,274,249	823,404
Other (c)	906,663	1,206,052
Deferred sales commissions	-	236,515
	2,268,079	2,674,510
Less amount of management loans included in current assets	(87,167)	(355,207)
	$ 2,180,912	$ 2,319,303

(a) Each of the management loans is secured against the shares of the Corporation acquired by the employee under the loan agreement. The loans bear interest at 6% annually, are secured by the shares and other security posted by the employee, and are repayable over the next year. In the event of termination, the repayment schedule of the principal amount outstanding will be accelerated. During the year, a management loan in the amount of approximately $0.2 million was discharged upon the Corporation cancelling the common shares secured against this loan (see Note 9).

The fair value of the shares at September 30, 2009 was $141,667 (2008 – $793,511).

(b) The receivable is in respect of management fees charged by the Corporation to a fund managed by the Corporation. The amount receivable (of which $0.8 million is over one year old) will be received when the fund's investments are monetized.

(c) Included in Other is an investment of $886,163 (2008 - $886,163) in real estate held in a company in which the Corporation and other related parties to the Corporation are shareholders.

9. CAPITAL STOCK

Authorized:

The Corporation is authorized to issue an unlimited number of common shares.

Issued:

	Number of Common Shares	Amount	Contributed Surplus
Balance, October 1, 2007	28,488,377	$ 20,099,587	$ 704,569
Issuance of common shares on exercise of incentive stock options	80,000	80,000	-
Stock-based compensation (Note 11)	-	12,800	169,349
Balance, September 30, 2008	**28,568,377**	**20,192,387**	**873,918**
Shares cancelled on discharge of management loans	(258,227)	(82,517)	(102,018)
Stock-based compensation (Note 11)	-	-	122,854
Balance, September 30, 2009	**28,310,150**	**$ 20,109,870**	**$ 894,754**

During the year, two management loans that were secured by common shares of the Corporation were discharged by cancelling 258,227 common shares held as security against the loans. These transactions resulted in a reduction to share capital and contributed surplus of $82,517 and $102,018 respectively.

The amount of $122,854 (2008 – $169,349) credited to Contributed Surplus represents the stock-based compensation expense of $122,854 (2008 - $182,149) for stock options granted by both the Corporation and BluMont Capital as shown on the Consolidated Statement of Operations, less an amount of $nil (2008 - $12,800) representing the amount previously expensed by the Corporation attributable to stock options exercised in the year. $Nil (2008 - $12,800) was reallocated out of Contributed Surplus and applied to share capital.

The Corporation had no net Other Comprehensive Income for the year ended September 30, 2009 or 2008 and the Corporation does not have any Accumulated Other Comprehensive Income as at September 30, 2009 or 2008.

10. INVESTMENT INCOME (LOSS)

	2009	2008
Held for trading securities	**$ 53,321**	$ 198,030
Available for sale securities that do not have a quoted market price in an active market (a)	**-**	(259,259)
	$ 53,321	$ (61,229)

(a) Represents an other than temporary impairment in value on the Corporation's investment in the private equity fund that it manages and resulted in a simultaneous charge to and transfer out of Other Comprehensive Income.

The Corporation invests in funds managed by the Corporation (Note 7) and recognizes the change in market value for held for trading securities on the Consolidated Statement of Operations. The held for trading securities represent investments made by the Corporation in the Exemplar Portfolios, its managed futures fund and the common shares of a publicly listed Corporation. Those securities classified as available for sale securities that do not have a quoted market price in an active market are measured at cost with gains and losses on disposition, or as a result of impairments in value, recognized on the Consolidated Statement of Operations. The available for sale security represents an investment by the Corporation in a private equity fund it manages.

11. STOCK-BASED COMPENSATION

The Corporation has established an incentive stock option plan for the executives, key employees, directors and consultants to the Corporation. As at September 30, 2009, there were 2,226,469 common shares (2008 – 2,277,898) reserved for issuance on exercise of stock options.

These options expire in fiscal years 2010 through 2014 and may be exercised at prices ranging from $1.00 to $2.00 per common share with a total exercisable value of $3,178,124 (2008 – $3,260,624).

Incentive stock options have one of the following vesting schedules.

(i) one-third on the date of grant and one one-third on each of the first and second anniversary of the date of grant, or

(ii) one-third on each of the first, second and third anniversary of the date of grant, or

(iii) one-third on each of the second, third and fourth anniversary of the date of grant (current practice).

Under the incentive stock option plan, the exercise price of each stock option is equal to or greater than the volume weighted average trading price of the Corporation's common shares on the TSX for the five trading days immediately preceding the day the stock option is granted and each stock option's maximum term is ten years.

Number of Options	Number of Options Vested	Exercise Price	Expiry Date
588,800	588,800	$ 1.00	2010
17,857	17,857	$ 1.40	2011
40,000	-	$ 1.45	2014
955,000	-	$ 1.50	2013
17,857	17,857	$ 1.68	2010
566,955	377,970	$ 1.70	2010
40,000	40,000	$ 2.00	2011
2,226,469	**1,042,484**		

The changes in the stock options are as follows:

	Total Number Of Options	Weighted Average Exercise Price
September 30, 2008		
Outstanding at beginning of year	1,706,826	$ 1.63
Granted	1,047,500	$ 1.50
Exercised	(80,000)	$ 1.00
Cancelled and expired	(396,428)	$ 2.54
Outstanding at end of year	2,277,898	$ 1.43
September 30, 2009		
Cancelled and expired	(51,429)	$ 1.60
Outstanding at end of year	**2,226,469**	**$ 1.43**

The weighted average grant-date fair value of the stock options issued in fiscal 2008 was $0.22. The Corporation did not issue any stock options during the year ended September 30, 2009. The Corporation estimated the fair value of options granted under the Black-Scholes option-pricing model and the following weighted average assumptions:

	2009	2008
Risk free rate	(1)	4.50%
Expected life of options (in years)	(1)	4.5
Expected volatility of the Corporation's share price	(1)	27.0%
Expected dividend yield	(1)	4.5%

(1) The Corporation did not issue any stock options during the year ended September 30, 2009.

The Black-Scholes option-pricing model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. As the Corporation's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions, such as expected stock market price volatility, can materially affect the fair value estimate, in management's opinion, the existing pricing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

12. INCOME TAXES

The provision for income taxes differs from the amount computed by applying statutory federal and provincial income tax rates to income before income taxes and non-controlling interest. This difference results from the following:

Years Ended September 30	**2009**	2008
Income (loss) from continuing operations before income taxes and non-controlling interest	**$ (9,850,697)**	$ 4,193,772
Statutory income tax rate	**32.94%**	34.20%
Expected income tax (recovery)	**(3,244,410)**	1,434,475
Effect on income tax of:		
Rate change of future income taxes	**195,076**	(211,122)
Previously unrecorded tax benefits and liabilities	**(129,389)**	147,576
Losses for which an income tax benefit has not been recognized	**437,309**	60,075
Permanent items	**377,000**	41,524
Other	**(4,767)**	38,132
Income tax expense (recovery)	**$ (2,369,181)**	$ 1,510,660

As at September 30, 2009, the Corporation and its subsidiaries had non-capital losses for tax purposes of approximately $2,042,000.

The non-capital losses expire as follows:

2010	$ 61,000
2014	24,000
2025	121,000
2026	195,000
2027	225,000
2028	579,000
2029	837,000
	2,042,000
Non-capital losses for which a future income tax asset has not been realized	(1,326,000)
	$ 716,000

A future income tax asset has been recognized relating thereto, representing the amount of the future tax benefit that the Corporation believes is more likely than not to be realized in future years. See Note 13 for the future income tax liability arising on the business acquisition.

13. BUSINESS ACQUISITION

During the year, the Corporation acquired the remaining 25.025% of GPM that it did not already own for $5.2 million.

In aggregate, the consideration including interest and transaction costs was $6,102,000 and paid in cash.

Details of the net assets acquired, at fair value, are as follows:

(in $000s)		
Current assets	$	3,174
Property and equipment		42
Other assets		121
Fund management contracts, net of future income taxes		5,006(1)
Current liabilities		(2,083)
Other liabilities		(158)
	$	6,102

(1) Fund management contracts of $7,205 (of which $414 was allocated to Darton), a finite life intangible asset determined at the time of acquisition, and a future income tax liability of $2,199 (of which $126 was allocated to Darton) have been set up for accounting purposes and are being amortized straight line over the terms of the contracts, which is seven years. As at September 30, 2009, the book value of the fund management contracts and future income tax liability relating to this business acquisition were $5,820 and $1,752 respectively.

Details of the consideration given, at fair value, are as follows:

(in $000s)		
Cash	$	5,751
Transaction costs		351
	$	6,102

The vendor will retain his 25.025% pro-rata economic interests in two assets of GPM.

(i) Performance fees that may be realized by GPM from specific funds in the future, and

(ii) Proceeds that may be realized on the disposition of real estate included in Other Assets (see Note 8).

14. NON-CASH ITEMS AND SUPPLEMENTAL CASH FLOW INFORMATION

		2009		2008
Non-cash items:				
Stock-based compensation (Note 9)	**$**	**122,854**	$	182,149
Depreciation of property and equipment		**205,251**		223,472
Amortization of deferred sales commissions and fund management contracts		**1,933,428**		2,099,647
Impairment of goodwill and fund management contracts		**7,724,934**		-
Future income tax recovery		**(2,291,457)**		(701,299)
Non-controlling interest share of income		**29,301**		1,026,524
Investment loss (income)		**(53,321)**		61,229
Other		**1,322**		14,242
	$	**7,672,312**	$	2,905,964
Net change in non-cash balances relating to operations:				
Receivables, income taxes recoverable and prepaids	**$**	**949,794**	$	(1,520,392)
Payables, accruals, income taxes payable, deferred revenue and tenant inducements		**(3,405,360)**		1,979,402
	$	**(2,455,566)**	$	459,010
Interest and income taxes paid:				
Interest paid	**$**	**22,938**	$	51,208
Income taxes paid	**$**	**1,325,890**	$	1,169,046

15. COMMITMENTS

(a) Future minimum annual lease payments under operating leases are as follows:

2010	$ 899,000
2011	871,000
2012	888,000
2013	603,000
2014 and thereafter	-
	$ 3,261,000

(b) A subsidiary is the manager of retail alternative funds and has agreed to fund the annual operating costs of the funds in excess of a predetermined level. It is the subsidiary's current policy to absorb or waive these costs in order to establish an upper limit for the management expense ratio for each fund for the benefit of its unitholders. These absorptions or waivers by the subsidiary may be terminated at any time by the subsidiary and at the subsidiary's direction may be continued indefinitely.

(c) The Corporation has agreed to indemnify its directors in accordance with its by-laws. The Corporation maintains insurance policies that may provide coverage against certain claims.

16. DIVIDENDS

The Corporation paid cash dividends of $0.04 per common share to shareholders in fiscal 2009 (2008 - $0.08).

17. FINANCIAL INSTRUMENTS

The Corporation's business is alternative asset management. The key performance driver of the Corporation's future results is expected to be the level of assets and committed capital under management ("AUM"). The level of AUM is directly correlated to investment returns, the successful launch of new investment initiatives, retention and hiring of key personnel and the Corporation's ability to retain existing AUM.

Risk management is the responsibility of the Executives of the Corporation which includes the Chief Executive Officer, Chief Financial Officer, Executive Vice-President and each investment team's President. Oversight of reputational, regulatory, legal and financial risk is within the mandate of the Executives. The Chief Executive Officer reports to the Board of Directors for all of the Corporation's risk-taking activities.

Financial instruments are classified based on categories according to CICA Handbook Section 3855 Financial Instruments – Recognition and Measurement as follows:

(in $000s) As at September 30, 2009	Available For Sale	Held For Trading	Loans and Receivables or Other Financial Liabilities
Cash and cash equivalents	$ -	$ 6,285	-
Receivables	-	-	3,294
Investments in funds managed by the Corporation	852	2,018	-
Other assets	-	-	2,268
Total financial assets	$ 852	$ 8,303	$ 5,562
Payables and accruals	$ -	$ -	$ 3,138
Total financial liabilities	$ -	$ -	$ 3,138

17. FINANCIAL INSTRUMENTS (CONTINUED)

(in $000s) As at September 30, 2008 (1)		Available For Sale		Held For Trading		Loans and Receivables or Other Financial Liabilities
Cash and cash equivalents	$	-	$	11,110		-
Receivables		-		-		4,749
Investments in funds managed by the Corporation		852		4,167		-
Other assets		-		-		2,438
Total financial assets	$	852	$	15,277	$	7,187
Payables and accruals	$	-	$	-	$	5,324
Total financial liabilities	$	-	$	-	$	5,324

(1) Excludes financial assets and liabilities of discontinued operations.

In the normal course of business, the Corporation is exposed to select financial risks by virtue of its activities, encompassing market risk, credit risk and liquidity risk. The Corporation has nominal exposure to interest rate risk.

Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, equity market fluctuations and other relevant market rate or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded.

The Corporation's only financial instrument affected by market risk is its investments in funds managed by the Corporation, which consist of capital the Corporation invests in new products in order to ensure their successful introduction into the marketplace. Products currently consist of funds in the retail alternative investments market, including a portion for which the underlying securities are non-Canadian, an allocation to a managed futures fund managed by the Corporation and common shares of a publicly-listed Canadian company. Consequently, the Corporation is impacted by both the changing value of the securities in the market, as well as changes in the relative value of foreign currencies. There may be some liquidity risk depending on the underlying securities in the funds, however, this is mitigated through the diversification of the funds' portfolios, regulatory restrictions on investing in illiquid securities and ensuring securities acquired are sufficiently liquid in nature. The Corporation believes that it is not practical or cost effective to hedge these risks; rather, it seeks to minimize risk by limiting the amount of capital allocated to new product introduction to amounts which should not adversely impact the financial strength and capacity of the Corporation and also to limit the time that the capital is at risk.

Since September 30, 2008, the Corporation has reduced its exposure to these financial instruments by monetizing $4.1 million that were in the retail alternative investments market. Investments in funds managed by the Corporation at September 30, 2009 were $2.9 million versus $5.0 million at September 30, 2008.

Based on the carrying value of the investments in funds managed by the Corporation at September 30, 2009, the effect of a 10% increase or decline in the value of investments would result in approximately a $0.2 million (2008 – $0.4 million) unrealized gain or loss on the Corporation's Consolidated Statement of Operations.

The investment in the private equity fund is excluded from this analysis as it is classified as an available for sale security that does not have a quoted market price in an active market. This security is difficult to value due to the inherent difficulty in valuing private companies and as a result is measured at cost, net of any impairment in value.

The Corporation holds approximately US $0.3 million in cash and cash equivalents as at September 30, 2009 (September 30, 2008 – US $0.3 million). Accordingly, the Corporation would not be materially impacted if the US dollar strengthened or weakened against the Canadian dollar.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Corporation is exposed to credit risk principally on its receivables which have normal thirty day terms. No allowance for bad debts has been recorded.

Approximately 91% of the Corporation's receivables at September 30, 2009 are due within thirty days (September 30, 2008 – 90%). Approximately $1.3 million (2008 – $0.8 million) of receivables have been classified as long term, of which $0.8 million (2008 – $0.4 million) are over one year old (Note 8).

Cash and cash equivalents of the Corporation are held at Schedule 1 banks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Corporation has contractual obligations and financial liabilities and therefore is exposed to liquidity risk. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. The Corporation monitors its current and expected cash flow requirements to ensure it has sufficient cash and cash equivalents to meet its liquidity requirements short and longer terms. To manage cash flow requirements, the Corporation maintains a sizable cash balance held at Schedule 1 banks. The Corporation does not hold any asset-backed commercial paper. The Corporation has no outstanding borrowings at September 30, 2009 and all payables and accrued liabilities are due within one year.

18. CAPITAL MANAGEMENT

The Corporation's capital is comprised solely of Shareholders' Equity, as disclosed on the Corporation's Consolidated Balance Sheet. The Corporation has no debt and has determined that no debt will be included in its capital structure at this time.

The Corporation's primary objectives when managing capital are:

(i) to maintain financial strength;
(ii) to manage liquidity requirements;
(iii) to provide a sufficient level of shareholders' equity and cash on hand to fund anticipated dividend payments;
(iv) to provide financial flexibility to fund product initiatives and possible acquisitions;
(v) to maintain compliance with regulatory capital requirements; and,
(vi) to maximize returns for shareholders over the long term.

The Corporation's registrations with securities commissions in Canada requires it to maintain a minimum free capital of $151,000. The Corporation has complied with this requirement, as at September 30, 2009.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statements presentation.

BOARD OF DIRECTORS

Victor Koloshuk
Chairman, President and
Chief Executive Officer
Integrated Asset
Management Corp.

David Atkins (1) (2)
Chairman,
Swiss Reinsurance Group
of Companies in Canada

Brent Chapman
President and
Chief Executive Officer
GPM

Bruce Day (1) (2)
Corporate Director

Veronika Hirsch
Chief Investment Officer
BluMont Capital
Corporation

Stephen Johnson (3)
Chief Financial Officer
Integrated Asset
Management Corp.

Donald Lowe (1) (2)
Corporate Director

David Mather
Executive Vice President
Integrated Asset
Management Corp.

John Robertson
President and Chief
Executive Officer
Integrated Private
Debt Corp.

(1) Member of the Audit Committee

(2) Member of the Compensation, Nominating and Governance Committee

(3) Secretary of the Corporation

PRINCIPAL OFFICERS

INTEGRATED ASSET MANAGEMENT CORP.

Victor Koloshuk
Chairman, President and Chief Executive Officer

Stephen Johnson
Chief Financial Officer

David Mather
Executive Vice President

Paul Patterson
Vice President
Private Investment

Michael Staresinic
Vice President
Finance

QUEBEC REPRESENTATIVE

Joseph Benarrosh
Directeur, Quebec

INTEGRATED PARTNERS

Victor Koloshuk
Chairman

Stephen Johnson
Senior Vice President

GPM INVESTMENT MANAGEMENT

Brent Chapman
President and Chief Executive Officer

Robert Burns
Chief Financial Officer

David Warkentin
Senior Vice President
Investments

Rick Zagrodny
Senior Vice President
Asset Management

David Becket
Vice President
Asset Management

Frank Bartello
Vice President
Acquisitions

GPH

Robert Hamilton
President

INTEGRATED PRIVATE DEBT CORP.

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President and
Chief Executive Officer

Donald Bangay
Chief Investment Officer

Frank Duffy
Managing Director

Michael LeClair
Managing Director

Philip Robson
Managing Director

Douglas Zinkiewich
Managing Director

INTEGRATED MANAGED FUTURES CORP.

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Chairman

Roland Austrup
President and
Chief Executive Officer

David Mather
Vice President

BLUMONT CAPITAL

Victor Koloshuk
Chairman

Veronika Hirsch
Chief Investment Officer

Stephen Johnson
Chief Financial Officer

James Wanstall
Executive Vice President
Business Development

Richard Goode
Senior Vice President
National Sales

Selva Rajaratnam
Vice President
Fund Operations
and Compliance

ORERESERVE ASSET MANAGEMENT INC.

David Mason
President and
Chief Executive Officer

Peter Chodos
Executive Vice President
and Chief Operating Officer

Manish Kshatriya
Chief Financial Officer

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Equity Transfer
& Trust Company

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TSX:IAM

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