



# INTEGRATED ASSET MANAGEMENT CORP.

Price (December 7): \$0.41  
52-Week Range: \$0.90-\$0.35  
Shares O/S: 28.35 million  
Market Cap: \$11.62 million

Recommendation: Buy (No Change)  
12-Month Target Price: \$1.00 (No Change)

## FISCAL 2009 RESULTS

Integrated Asset Management Corp. (the “Company” or IAM) reported audited financial results for the fiscal year ended September 30, 2009 as shown below.

### Year Ended September 30, 2009

(000s except per share)

	Q4/F09	Q4/F08	FY2009	FY2008
Assets and committed capital under management (i)	2,013,200	2,330,400	2,013,200	2,330,400
Revenues before performance fees (i)	3,825	4,491	15,632	18,743
Performance fees	139	1	314	7186
Total revenues (i)	3,964	4,492	15,946	25,929
Net performance fees (ii)	114		285	4,519
EBITDA (i) (ii)	(147)	766	105	6,824
Income (loss) from continuing operations before income taxes and non-controlling interest (i)	(352)	(317)	(9,851)	4,194
Net income (loss) and comprehensive income	(455)	(514)	(6,544)	1,894
Earnings (loss) per share	(0.02)	(0.01)	(0.23)	(0.07)

(i) Excludes discontinued operations (Darton), sold effective Dec. 1, 2008.

(ii) Net performance fees and EBITDA are non-GAAP earnings measures used by IAM.

### Full-Year 2009 Results

The Company’s net loss and comprehensive income for fiscal 2009 was \$6.5 million (loss of \$0.23 per share) compared with net income and comprehensive income of \$1.9 million (\$0.07 per share) in the previous year. EBITDA was \$0.01 million compared with \$6.8 million a year earlier, with the 2009 decline attributable to operating losses in Retail Alternative Investments and lower performance fees. The largest component of the decline was 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 Retail Alternative Investments. (Retail Alternative Investments are financial products for Canadian retail investors, issued through BluMont Capital Corporation, a wholly-owned subsidiary of IAM.)



### ***Performance Fees***

The fiscal 2009 performance fees of \$0.3 million were primarily from the Managed Futures operations, while in fiscal 2008 performance fees of \$7.2 million had come from Real Estate Asset Management (\$5.6 million) and Retail Alternative Investments (\$1.6 million).

IAM expects to realize a scheduled performance fee in Q2/F10 from Real Estate Asset Management (potential for a substantial contribution to earnings in fiscal 2010).

### ***Loss From Continuing Operations***

The Company reported a fiscal 2009 loss of \$9.85 million from continuing operations (before income taxes and non-controlling interest) compared with fiscal 2008 in which the Company reported \$4.19 million in income from continuing operations (before taxes and non-controlling interest). The largest component of the fiscal 2009 decline was the extraordinary write-off of goodwill and other intangibles mentioned above (\$7.7 million pre-tax (\$5.8 million after-tax)).

### ***Assets Under Management***

Assets Under Management (AUM) declined to \$2.01 million at September 30, 2009, from \$2.33 million in 2008. The decline was attributable to lower in AUM in Retail Alternative Investments and in the normal course of business in Private Corporate Debt.

### **Fourth-Quarter 2009 Results**

For the fourth quarter ended September 30, 2009, IAM reported a net loss and comprehensive income was \$455,000 (a loss of \$0.02 per share) versus \$514,000 (a loss of \$0.01 per share) in Q4/F08. EBITDA in Q4/F09 was a loss of \$147,000 compared with EBITDA of \$766,000 in Q4/F08.

For further details on the results, see Integrated Asset Management Corp.'s December 7, 2009 news release and financial statements, available on SEDAR at [www.sedar.com](http://www.sedar.com).

**COMMENT:** *In light of the difficulties experienced by asset management firms in the past year, and in the belief that many of them are considering merger, joint-venture or acquisition proposals, IAM - which has held on to its cash reserves - is actively evaluating a variety of potential acquisitions that would increase assets under management and expand the Company's product line.*

### **RECOMMENDATION**

As we noted in our recent *Update Report* on IAM (November 20, 2009), short-term share performance of the stock could remain range-bound while the Company deals with its corporate challenges. The shares probably have little downside risk from current levels, and considerable upside potential once there is visible evidence that the challenges are being solved. These challenges are: (i) to turn around the Retail Alternative Investments; and (ii) to resume growth in assets under management.

We continue to believe that the stock is ready to break out on any positive corporate announcement, and are maintaining our 12-month Target Price of \$1.00 per share.



## THE COMPANY

IAM is a Toronto-based alternative asset management company with approximately \$2 billion (as of September 30, 2009) in assets and committed capital under management in Real Estate, Private Corporate Debt, Private Equity, Managed Futures, Retail Alternative Investments, and Mining Asset Management. The Company offers its asset management services to institutional, pension, and private clients.

## RATINGS HISTORY

Date	Report Type	Recommendation	Stock Price	Target Price
Feb. 8, 2007	Update	Speculative Buy	\$1.62	\$3.00
Apr. 24, 2007	Update	No Change	\$1.68	No Change
Nov. 21, 2007	Update	No Change	\$1.52	No Change
Dec. 19, 2007	Update	No Change	\$1.40	No Change
Mar. 10, 2008	Update	No Change	\$1.35	No Change
Apr. 21, 2008	Update	No Change	\$1.20	No Change
May 27, 2008	Update	No Change	\$1.38	No Change
Aug. 14, 2008	Bulletin	No Change	\$1.16	No Change
Aug. 21, 2008	Update	No Change	\$1.16	\$2.35
June 16, 2009	Update	No Change	\$0.48	\$1.00
Nov. 20, 2009	Update	Buy	\$0.42	No Change
Dec. 7, 2009	Perspective	No Change	\$0.41	No Change

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