

**AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Nine Months Ended September 30, 2009**

November 12, 2009

Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended September 30, 2009 and the audited consolidated financial statements for the year ended December 31, 2008. This MD&A relates to events up to November 12, 2009.

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

The units of Amalgamated involve a high degree of risk, including, but not necessarily limited to, the following risks which are described in the Annual Information Form for the year ended December 31, 2008 available at www.SEDAR.com. Before making an investment decision, each prospective investor should review these risks in detail:

- *Reliance on revenue from Mutual Fund Limited Partnerships and Notes, Financial Services, and Real Estate Limited Partnerships;*
- *Possible loss of limited liability;*
- *Fluctuating distributions;*
- *Ability of the Partnership to obtain additional financing;*
- *Use of brokerage margin by the Partnership;*
- *Potential dilution from future financings;*
- *Ability of the Partnership to continue to find attractive investment opportunities;*
- *Income tax, other government, and regulatory related risks; and*
- *Control by the General Partner.*

AMALGAMATED INCOME LIMITED PARTNERSHIP
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CORE BUSINESS AND STRATEGY

Amalgamated Income Limited Partnership ("Amalgamated" or the "Partnership") is a publicly traded limited partnership (AI.UN on the TSX) whose business is to capitalize on market inefficiencies in the following types of securities: mutual fund limited partnerships ("MFLP"), financial service lending, real estate limited partnerships ("RELP"), and marketable securities in order to provide its limited partners with a diversified income stream.

- MFLPs were issued between 1990 and 1997 and Amalgamated was originally formed to consolidate these. MFLPs are declining royalty streams of income based on the assets under management of various mutual funds. Amalgamated is the only consolidator in this industry. MFLPs include both public and private entities and Amalgamated purchases them through the public market, mini-tenders, or through formal takeover bids;
- Financial Services include mortgages and loans to companies that cannot obtain traditional bank lending but that in management's opinion have sufficient assets or cash flow to secure against. Amalgamated's focus is on shorter term bridge loans to maximize returns and minimize risk;
- RELPs were generally issued in the 1980s to finance real estate assets. Amalgamated began purchasing RELPs in late 2005 as there are profit opportunities due to the lack of liquidity in these unlisted limited partnerships. Amalgamated purchases RELP through mini-tenders and formal takeover bids and attempts to force the value maximization of the underlying asset; and
- Marketable securities focused on by the Partnership include debentures, trust units, and common shares that can be purchased at a discount to management's determination of fair value. Amalgamated purchases marketable securities mainly through the public markets such as stock exchanges but also uses mini-tenders to accumulate its positions of illiquid securities.

Amalgamated is similar to an investment fund in the composition and valuation of its asset base, but Amalgamated is fundamentally different as it may take an active role in its investments in attempting to enhance value by seeking to control or influence management when appropriate.

For additional information on Amalgamated, including recent press releases, the Annual Information Form (AIF), annual consolidated financial statements, and interim consolidated financial statements please go to the Partnership's profile on SEDAR at www.sedar.com or the Partnership's website at www.aiun.ca.

Limited Partners are reminded that income tax allocations as defined by the partnership agreement, **limited partners are not allocated income for tax purposes on the amount of distributions actually received during the year. Allocations for tax purposes are made based on whether or not they are limited partners at December 31.** Any distribution received will represent a decrease in the adjusted cost base of any partnership units held and a potential capital gain (or loss) if the unit is sold prior to December 31. For tax purposes, a limited partner at December 31 will receive an allocation of the Partnership's income, dividends, and capital losses or gains if held outside a tax deferred plan such as an RRSP, LIRA, RRIF, or RESP.

SIGNIFICANT EVENTS

1. Changes to Partnership Agreement to Include a Wind-up Date

At a meeting of limited partners on October 17, 2008, the limited partnership agreement of Amalgamated (the "Partnership Agreement") was amended which included adding a termination date of the Partnership of no later than December 15, 2009 unless extended by a Special Resolution (as defined in the Partnership Agreement) of the limited partners. The termination date was extended by limited partners until December 15, 2010 see section 2 for more details. A complete discussion of the changes made to the Partnership Agreement can be found at the Partnership's profile at www.sedar.com. Subsequent to this change, management began an orderly sale of the Partnership's assets in order to be able to distribute the cash or provide in-kind distributions of the remaining assets prior to December 15, 2010. Management has estimated that the net realizable value of the Partnership was between \$3.25 and \$3.40 per unit as at September 30, 2009 based on what the underlying investments could be sold for. This net realizable value also incorporates estimated wind-up costs of approximately \$900,000 to \$1,200,000. The final net realizable value will depend on various factors including the performance of the Partnership's investments and the final wind-up date; outcome of the contingent liability as discussed under *Note 7 Contingencies* in the unaudited interim consolidated financial statements for the nine months ended September 30, 2009; and the level of distributions between September 30, 2009 and the final distribution date. Management estimates that any income earned between September 30, 2009 and the final distribution date will be sufficient to cover general and administrative expenses but would not be sufficient to fund distributions at the current level without eroding capital.

2. Results of Partnership Meeting Held on June 19, 2009

At the meeting held on June 19, 2009 limited partners voted to extend the termination date to a date not later than December 15, 2010. This was approved by over 66 2/3% of votes cast.

3. Paddington Takeover Bid

On April 14, 2009, Amalgamated launched a formal takeover bid through a wholly owned subsidiary for all of the outstanding units of Paddington Properties Partnership ("Paddington") not currently owned by Amalgamated. The formal takeover bid was expected to close on May 25, 2009 (the "Bid"). On May 25, 2009 the Bid was extended, by notice of extension, then varied and extended by notice of variation and extension dated June 26, 2009. The Bid was further varied and extended on July 17, 2009 by notice of variation and extension and varied pursuant to a notice of variation dated August 28, 2009 as amended and extended by notice of extension and variation dated September 17, 2009 and again varied and extended by notice of variation and extension dated October 1, 2009. The final variation and extension waived all bonus payment conditions to allow any and all Paddington Unitholders to tender units to the Bid and receive the bonus payment of \$2.25 per unit, for total consideration per unit of \$4.75. The Bid closed on October 30, 2009 at which time Amalgamated indirectly purchased 384,924 units in the Bid. Amalgamated now owns or controls approximately 78.5% of the outstanding units in Paddington.

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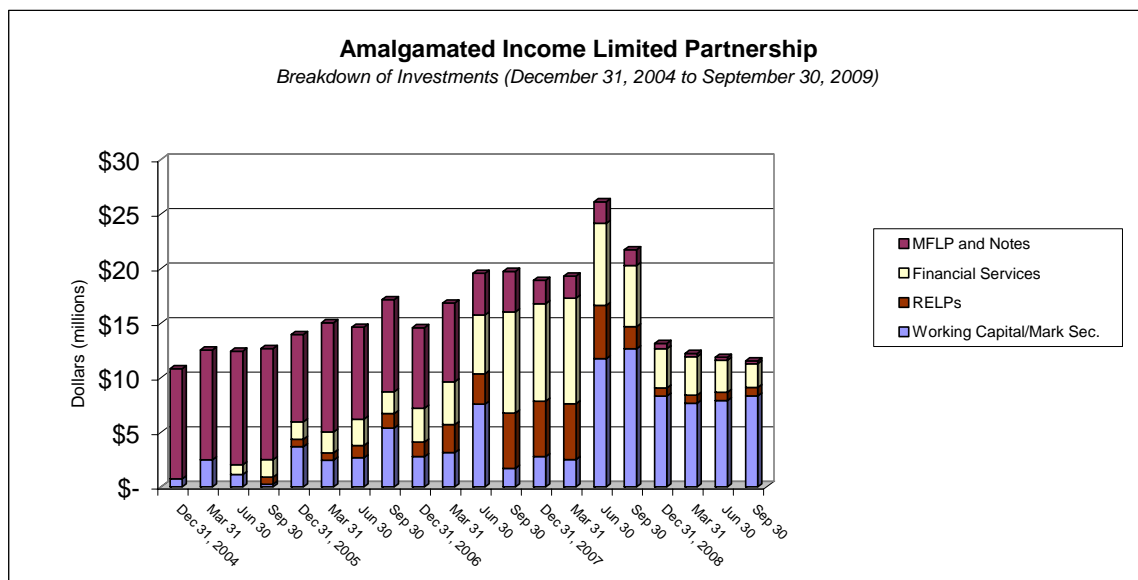
November 12, 2009

4. Changes in Asset Mix and Capital Structure

As at September 30, 2009, Amalgamated's equity consisted of 72% working capital and marketable securities (63% at December 31, 2008), 19% Financial Services (27% at December 31, 2008), 7% RELPs (6% at December 31, 2008), and the remaining 2% in MFLP and Notes (4% at December 31, 2008).

Amalgamated's capital structure as at September 30, 2009 consisted of equity of \$11,550,438 (\$12,772,460 as at December 31, 2008), and debentures of \$nil (\$370,000 at December 31, 2008).

The following chart provides a summary of Amalgamated's changing asset mix since December 31, 2004 when the decision was made by management to diversify Amalgamated's investments. During the three months ended September 30, 2009, investments decreased from approximately \$13M as at December 31, 2008 to \$11.6M as at September 30, 2009 primarily as a result of the repayment of the debentures and distributions paid to limited partners.



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SELECTED FINANCIAL INFORMATION

<i>Quarter</i>	Sep 30 2009	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sept 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007
Revenue	\$ 154,047	\$ 170,113	\$ 289,630	\$ 659,264	\$ 457,269	\$ 536,994	\$ 724,027	\$ 1,264,797
Net income (loss)	252,974	238,881	12,246	(3,270,831)	(2,509,296)	1,072,635	218,749	(159,217)
Net income (loss) per unit basic	0.08	0.08	0.00	(1.02)	(0.80)	0.36	0.07	(0.05)
Total assets	11,918,282	12,243,299	12,705,398	13,576,082	22,265,453	26,766,806	19,808,974	19,648,427
Total liabilities	367,844	369,750	481,434	803,622	5,576,708	7,731,224	1,582,091	1,045,521
Limited partners' capital	11,550,438	11,873,549	12,223,964	12,772,460	16,688,745	19,035,582	18,226,883	18,602,906
Limited partners' capital, per unit	3.66	3.75	3.85	4.02	5.20	6.25	6.10	6.20
Distributions paid	552,079	585,921	576,411	575,460	563,922	540,519	538,677	1,167,513
Distributions paid per unit basic	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.39
Units outstanding - closing	3,154,662	3,166,462	3,171,362	3,178,062	3,209,162	3,046,781	2,988,083	2,998,697

The preceding table shows selected key financial information about Amalgamated and is intended to help investors understand the Partnership's financial performance over the past two years. This information is derived from Amalgamated's unaudited quarterly consolidated financial statements. Amalgamated's consolidated financial statements are stated in Canadian dollars and are prepared in accordance with Canadian GAAP (generally accepted accounting principles). The information set forth above should be read in conjunction with Amalgamated's consolidated financial statements and related notes which are available at www.sedar.com.

HIGHLIGHTS

- Net income for the three months ended September 30, 2009 was **\$252,974 (\$0.08 per unit)**;
- Total assets decreased to **\$11,918,282** as at September 30, 2009 from **\$13,576,082** as at December 31, 2008 due mainly to the repayment of **\$370,000** of debentures and distributions paid of **\$1,714,410**; and
- Limited partners' capital decreased from **\$4.02** per unit as at December 31, 2008 to **\$3.66** per unit as at September 30, 2009 however, limited partners also received **\$0.54** per unit of distributions during this time for a net increase in net asset value per unit of approximately **\$0.18** per unit.

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RESULTS OF OPERATIONS

Overall Performance

Amalgamated recorded net income of \$252,974 (\$0.08 per unit) for the three months ended September 30, 2009 versus net loss of \$2,509,296 (\$0.80 per unit) for the three months ended September 30, 2008. The net income was higher in the three months ended September 30, 2009 due mainly to the Partnership having lower unrealized losses on Financial Services and Marketable Securities. The Partnership continues to work towards on an orderly liquidation of the Partnership's assets in order to be able to distribute the cash or provide in-kind distributions of the remaining assets prior to December 15, 2010.

The investment breakdown as at September 30, 2009 was made up of 2% MFLPs and Notes (4% as at December 31, 2008), 19% Financial Services (27% as at December 31, 2008), 7% RELPs (6% as at December 31, 2008), 8% in marketable securities (41% as at December 31, 2008), and remaining 64% in cash and working capital (22% as at December 31, 2008). The Partnership was selling its investments during the nine months ended September 30, 2009 in order to move towards liquidation by December 15, 2010.

Amalgamated Income Limited Partnership <i>Net Equity Breakdown</i>	September 30, 2009		December 31, 2008	
MFLP and Notes	\$ 266,311	2%	\$ 489,617	4%
Financial Services	2,184,259	19%	3,597,906	27%
RELP	770,145	7%	744,528	6%
Marketable Securities	939,644	8%	5,325,861	41%
Cash and Working Capital	7,390,079	64%	2,984,548	22%
	\$ 11,550,438	100%	\$ 13,142,460	100%

The preceding table shows selected key financial information about Amalgamated and is derived from Amalgamated's unaudited quarterly consolidated and audited annual consolidated financial statements. The information set forth above should be read in conjunction with Amalgamated's consolidated financial statements and related notes which are available at www.sedar.com.

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Summary of Results for the Three Months Ended September 30, 2009

Revenue:

Amalgamated's total revenue was \$154,047 for the three months ended September 30, 2009 which compares to \$457,269 for the three months ended September 30, 2008. Revenue for the three months ended September 30, 2009 consisted of \$57,896 from MFLP and Notes (\$65,333 for the three months ended September 30, 2008), \$52,429 from Financial Services (\$127,658 for the three months ended September 30, 2008), \$22,154 from RELP (\$24,876 for the three months ended September 30, 2008), and \$21,568 from Marketable Securities (\$239,402 for the three months ended September 30, 2008). Total revenue was lower in the three months ended September 30, 2009 as compared to the three months ended September 30, 2008 due to increased investment in Marketable Securities and cash which did not distribute revenue as high as MFLP and Notes or Financial Services.

Expenses:

Overall operating expenses for the three months ended September 30, 2009 decreased to \$213,906 from \$323,471 for the three months ended September 30, 2008. The decrease was due mainly to the decreased use of debt in the current period which resulted in lower interest costs.

Other Additions (Deductions):

The significant other items for the three months ended September 30, 2009 included unrealized gain on marketable securities of \$295,641 and unrealized gain on RELP of \$121,513.

In total, other additions (deductions) accounted for an addition of \$312,833 for the three months ended September 30, 2009 compared to a deduction of \$2,643,094 for the three months ended September 30, 2008. The reversal from a decrease to an increase resulted mainly from the Partnership having lower unrealized losses on Financial Services and Marketable Securities in the current period.

Net Income:

Amalgamated recorded net income of \$252,974 (\$0.08 per unit) for the three months ended September 30, 2009 versus net loss of \$2,509,296 (\$0.80 per unit) for the three months ended September 30, 2008. The net income was higher in the three months ended September 30, 2009 resulted mainly from the Partnership having lower unrealized losses on Financial Services and Marketable Securities in the current period.

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Summary of Results for the Nine Months Ended September 30, 2009

Revenue:

Amalgamated's total revenue was \$613,790 for the nine months ended September 30, 2009 which compares to \$1,718,290 for the nine months ended September 30, 2008. Revenue for the nine months ended September 30, 2009 consisted of \$120,023 from MFLP and Notes (\$224,445 for the nine months ended September 30, 2008), \$240,184 from Financial Services (\$986,304 for the nine months ended September 30, 2008), \$41,712 from RELP (\$133,863 for the nine months ended September 30, 2008), and \$211,871 from Marketable Securities (\$373,678 for the nine months ended September 30, 2008). Total revenue was lower in the nine months ended September 30, 2009 as compared to the nine months ended September 30, 2008 due to increased investment in Marketable Securities and cash which did not distribute revenue as high as MFLP and Notes or Financial Services.

Expenses:

Overall operating expenses for the nine months ended September 30, 2009 decreased slightly to \$687,550 from \$709,974 for the nine months ended September 30, 2008. The slight decrease was due mainly to the decreased use of debt in the current period which resulted in lower interest costs which was partially offset by increased legal costs to complete the Paddington takeover bid.

Other Additions (Deductions):

The significant other items for the nine months ended September 30, 2009 included a reversal of amortization of MFLP and Notes of \$489,227 and unrealized gain on Marketable Securities of \$1,684,886 which were offset by a realized loss on sale of MFLP and Notes of \$555,574 and realized loss on sale of Marketable Securities of \$1,050,824.

In total, other additions (deductions) accounted for an addition of \$577,861 for the nine months ended September 30, 2009 compared to a deduction of \$2,226,228 in the nine months ended September 30, 2008. The reversal from a decrease to an increase resulted mainly from the Partnership having lower unrealized losses on Financial Services and Marketable Securities in the current period.

Net Income:

Amalgamated recorded net income of \$504,101 (\$0.16 per unit) for the nine months ended September 30, 2009 versus net loss of \$1,217,912 (\$0.40 per unit) for the nine months ended September 30, 2008. The net income was higher in the nine months ended September 30, 2009 as a result of the Partnership having lower unrealized losses on Financial Services and Marketable Securities in the current period.

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DISTRIBUTIONS AND TAXABLE INCOME

Distributions totalling \$1,714,410 were declared and paid for the nine months ended September 30, 2009 or \$0.54 per unit (\$1,643,118 for the nine months ended September 30, 2008 or \$0.54 per unit). The total distributions increased slightly due to additional units being outstanding in the nine months ended September 30, 2009 versus the nine months ended September 30, 2008.

Monthly cash distributions declared per unit issued and outstanding for the period were as follows:

Period covered	Date of Distribution	\$ Per Unit
January 1, 2009 to January 31, 2009	February 13, 2009	0.06
February 1, 2009 to February 28, 2009	March 13, 2009	0.06
March 1, 2009 to March 31, 2009	April 9, 2009	0.06
April 1, 2009 to April 30, 2009	May 8, 2009	0.06
May 1, 2009 to May 31, 2009	June 12, 2009	0.06
June 1, 2009 to June 30, 2009	July 10, 2009	0.06
July 1, 2009 to July 31, 2009	August 14, 2009	0.06
August 1, 2009 to August 31, 2009	September 11, 2009	0.06
September 1, 2009 to September 30, 2009	October 9, 2009	0.06
October 1 to October 31, 2009	November 13, 2009	0.06

Limited Partners are reminded that income tax allocations as defined by the partnership agreement, **limited partners are not allocated income for tax purposes on the amount of distributions actually received during the year. Allocations for tax purposes are made based on whether or not they are limited partners as at December 31.** Any distribution received will represent a decrease in the adjusted cost base of any partnership units held and a potential capital gain (or loss) if the unit is sold prior to December 31. For tax purposes, a limited partner at December 31 will receive an allocation of the Partnership's income, dividends, and capital losses or gains if held outside a tax deferred plan such as an RRSP, TFSA, LIRA, RRIF, or RESP.

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CAPITAL STRUCTURE

The Partnership maintains a capital structure composed solely of permanent capital (partnership capital). Management believes that the current partnership capital is appropriate to fund the Partnership's operations until liquidation. It is anticipated that the Partnership's capital structure will allow it to respond to attractive private or public investment opportunities.

Management monitors the Partnership's capital structure and makes adjustments as necessary to respond to changes in economic conditions and the risks of the underlying investments. The capital structure of Amalgamated is evaluated by management based on a debt-to-capital ratio. This ratio is calculated based on total debt less cash divided by total partnership capital.

For 2009, the Partnership's objective with regards to capital management is to repurchase its units which management believes will enhance the value of the Partnership and to repay outstanding debentures as the Partnership moves towards wind-up by December 15, 2010.

Amalgamated Income Limited Partnership		
<i>Capital Structure</i>		
	Sep 30 2009	Dec 31 2008
Line of credit and brokerage margin	\$ -	\$ -
Debentures	-	370,000
Total debt	-	370,000
Less: Cash	(7,720,650)	(2,936,357)
Net debt	(7,720,650)	(2,566,357)
Partnership capital	11,550,438	12,772,460
Debt-to-capital ratio (%)	N/A	N/A

Amalgamated closed the nine months ended September 30, 2009 with a net surplus of (\$7,720,650) (\$2.45 per unit) compared to net surplus of (\$2,566,357) (\$0.86 per unit) as at December 31, 2008. The increase in working capital was primarily due to the sale of various investments during the nine months ended September 30, 2009. Management of Amalgamated believes the Partnership has sufficient working capital surplus to pay expenses as they come due. The Partnership will continue to convert its investments to cash at what management determines to be reasonable prices to make distributions to limited partners (monthly and final).

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- **EQUITY**

Amalgamated's units outstanding decreased to 3,154,662 units as at September 30, 2009 from 3,178,062 units as at December 31, 2008. During the nine months ended September 30, 2009, Amalgamated repurchased 44,400 units under a normal course issuer bid for consideration of \$112,770 (average of \$2.54 per unit) and issued 21,000 units upon exercise of options for proceeds of \$45,570 (average of \$2.17 per unit) for a net decrease of 23,400 units. Subsequent to September 30, 2009, Amalgamated repurchased 1,000 units under the normal course issuer bid resulting in Amalgamated having a total of 3,153,662 units outstanding as at November 12, 2009. In addition, during the nine months ended September 30, 2009, Amalgamated issued 39,000 incentive units, 21,000 incentive units were exercised and 49,000 incentive units were forfeited which decreased the total incentive units outstanding from 277,300 to 246,300. As at November 12, 2009, Amalgamated also had 246,300 options outstanding.

- **DEBT**

Amalgamated maintains investment accounts at several brokerage firms who follow the recommended margin requirements of the Investment Dealers Association. As at September 30, 2009, Amalgamated had no brokerage margin outstanding.

Management anticipates ongoing operations and investments will be funded by the sale of investments, funds from operations, and the availability of the Partnership's current credit facilities (brokerage margin).

FINANCIAL INSTRUMENTS:

Amalgamated's financial instruments consist of investments, cash and cash equivalents, distributions receivable, distributions payable, and accounts payable and accrued liabilities. Unless otherwise noted, at present it is the General Partner's opinion that the Partnership is not exposed to significant interest rate, credit, or currency risks arising from these financial instruments.

Specifically, the Partnership's financial instruments that are exposed to credit risk are the investments in loans. Amalgamated has invested in bridge loans, real estate loans, and other financial instruments to borrowers, mainly in Alberta and British Columbia, in a number of industries in order to maximize returns within an acceptable level of risk. Amalgamated mitigates credit risk by obtaining sufficient security to back the loans and diversifying its investments to limit its exposure to one entity.

As at September 30, 2009, the Partnership had a bridge loan outstanding with a face value of \$1,062,000 (fair value of \$130,000) and a commercial loan outstanding with a face value of \$600,000 (fair value of \$130,000). The borrowers in both cases have defaulted on these loans and the Partnership is currently in the process of realizing on the security pledged which consists of real property, and personal and corporate guarantees. The Partnership has written the fair value of these loans down to what management expects to recover from the security pledged. In addition, the Partnership had a commercial loan outstanding for \$366,616 which was in default as at September 30, 2009. As at the issuance of this management's discussion and analysis, \$185,000 had been repaid and the Partnership expects to recover the remaining amount and therefore, has not written down this loan.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Partnership prepares its unaudited interim consolidated financial statements in accordance with Canadian GAAP. The preparation of the unaudited interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the year of the unaudited interim consolidated financial statements. Significant accounting policies and methods used in the preparation of the unaudited interim consolidated financial statements are described in note 2 of the audited annual consolidated financial statements for the year ended December 31, 2008 as well as in the Accounting Policies – Accounting Standards Implemented by the Partnership in 2009 discussed below. The Partnership evaluates its estimates and assumptions on a regular basis, based on historical experience and other relevant factors. Included in the unaudited interim consolidated financial statements are estimates used in determining the fair value of investments, revenue recognition and other matters. Actual results could differ materially from those estimates and assumptions.

The assessment of the fair value of investments and the impact of a certain contingency requires the use of judgments, assumptions and estimates. Due to the material nature of these factors, they are discussed below in greater detail.

- INVESTMENTS

The Partnership uses significant estimates in the preparation of its unaudited interim consolidated financial statements in arriving at the fair value of its investments. The following represents the methodology used to determine the fair value for the majority of its investments. Valuation assumptions used by the Partnership are evaluated regularly by management and the Board of Directors of the General Partner.

All marketable securities listed on a recognized public stock exchange are recorded at their closing sale price. Marketable securities not traded on that date are valued at the last traded price. The quoted market value has been taken as a reasonable estimate of fair value. Those securities having no quoted market values are recorded at fair value based on an assessment of the most recent price at which an arm's length transaction has occurred or an assessment of the fair value of the security. These values may differ from values that would have been used had a ready market existed for these securities.

The fair values for both public and private securities can be impacted by trading volumes and restrictions, and the Partnership's assessment of value may not be indicative of what the Partnership could realize on the immediate sale as it may take an extended period of time to liquidate positions without causing a significant negative impact on the market price. The difference between the fair value and the purchase price or previous period value of the investments is treated as an unrealized gain or loss in value. The change from period to period is reflected in operations as a gain (loss) in value of securities.

The estimates used in arriving at the fair value of investments that are not publicly traded include an analysis of the most recent price at which an arm's length transaction has occurred or an assessment of the fair value of the underlying business. The methodology used in arriving at the estimates of fair value include research into historical prices and private company valuation principles. Changes in the estimates underlying the other investments will have a direct impact on the value of the investments account on the balance sheet and the unrealized gain (loss) on other investments on the income statement. Any changes to these estimates are reflected as gain (loss) in value of investments in the other additions (deductions) of the consolidated statements of (loss) income.

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• **CONTINGENCIES**

The Partnership has been named as a defendant in a lawsuit brought against it by a former president of the General Partner. The dispute involves an amount of approximately \$1,400,000 plus interest and costs. On July 30, 2009 the supreme court of British Columbia provided ruled that former president was liable to Amalgamated for \$58,274 plus interest plus certain court approved costs. In August, 2009 the former president appealed this judgment. At the date of issuance of these unaudited interim consolidated financial statements, the outcome was not determinable. The same individual has brought a second action against the General Partner. At the date of these unaudited interim consolidated financial statements, neither the amount claimed nor the outcome is determinable. No amounts have been recorded in these unaudited interim consolidated financial statements relating to these claims.

As at September 30, 2009, the Partnership had a bridge loan outstanding with a face value of \$1,062,000 (fair value of \$130,000) and a commercial loan outstanding with a face value of \$600,000 (fair value of \$130,000). The borrowers in both cases have defaulted on these loans and the Partnership is currently in the process of realizing on the security pledged which consists of real property, and personal and corporate guarantees.

The Partnership has written the fair value of these loans down to what management expects to recover from the security pledged. The Partnership had a commercial loan outstanding for \$366,616 which was in default as at September 30, 2009. As at the issuance of these unaudited interim financial statements, \$185,000 had been repaid and the Partnership expects to recover the remaining amount and therefore, has not written down this loan.

In addition, the Partnership has a bridge loan outstanding in the amount of \$393,617 which was in default as at September 30, 2009. The borrower is currently working towards paying this loan. The loan is secured by real estate and personal and corporate guarantees. The Partnership expects to recover the full amount from the security and guarantees.

Finally, the Partnership has estimated that it will cost approximately \$900,000 to \$1,200,000 to wind-up the Partnership. This amount includes legal fees, the General Partner fee pursuant to its contract with the Partnership, and other amounts required to facilitate winding up the Partnership. This amount has not been accrued in the unaudited interim consolidated financial statements for the nine months ended September 30, 2009.

ACCOUNTING POLICIES – ACCOUNTING STANDARDS IMPLEMENTED BY THE PARTNERSHIP IN 2009

There were no new accounting policies adopted by the Partnership for the nine months ended September 30, 2009.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

In February 2008, the Accounting Standards Board (“AcSB”) confirmed that the use of IFRS will be required in 2011 for publicly accountable enterprises in Canada. In April 2008, the AcSB issued an Omnibus Exposure Draft that publicly accountable enterprises be required to apply IFRS, in full and without modification, on January 1, 2011.

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The adoption date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Partnership for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010. The AcSB proposes that CICA Handbook Section – *Accounting Changes*, paragraph 1506.30, which would require an entity to disclose information relating to a new primary source of GAAP that has been issued but is not yet effective and that the entity has not applied, not be applied with respect to Exposure Draft.

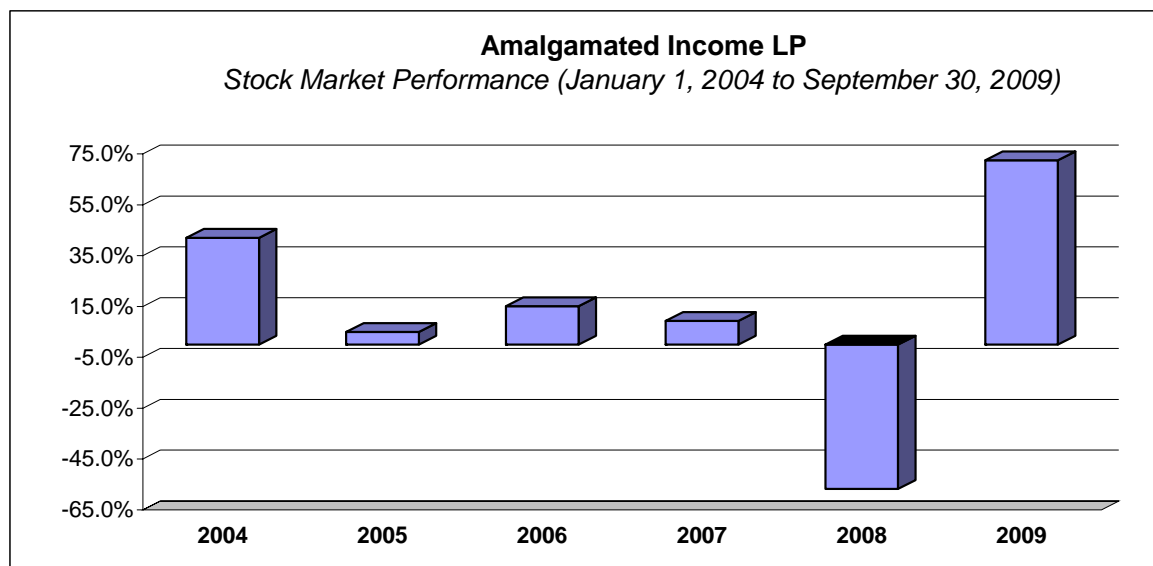
The Partnership is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable. If the Partnership exists at this time, the Partnership anticipates a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required as well as systems changes that may be necessary to gather and process the information.

RELATED PARTY TRANSACTIONS

For a detailed description please see note 4 to the unaudited consolidated financial statements for the nine months ended September 30, 2009.

PAST PERFORMANCE

The following bar chart shows Amalgamated's annual performance for each of the years shown and illustrates how Amalgamated's performance has changed from period to period. The bar chart shows in percentage terms how much an investment made on January 1 of each year would have changed by the end of each period. All distributions received during the period were added to the closing price to arrive at a total return.

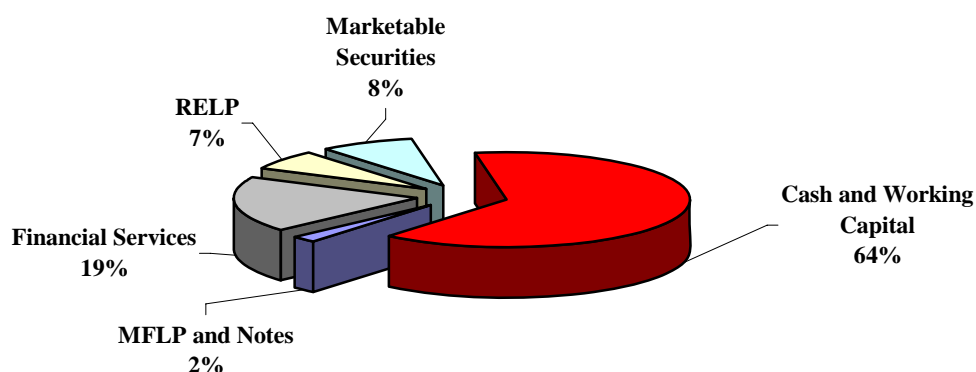


AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Nine Months Ended September 30, 2009

November 12, 2009

SUMMARY OF ASSETS

INVESTMENT BREAKDOWN AS AT SEPTEMBER 30, 2009



TOP INVESTMENT HOLDINGS

Holding	Category	Percentage	Fair Value
Asset Based Financing (no expiry date)	Financial Services	31.0%	1,074,176
Paddington Properties LP	RELP	19.0%	658,405
Bridge Loan (in default)	Financial Services	11.3%	393,617
Commercial Loan (in default)	Financial Services	10.6%	366,616
Drive Products Income Fund	Marketable Securities	5.1%	177,283
Acuity Funds Ltd.	MFLP	4.0%	137,303
Commerical Loan (in default)	Financial Services	3.7%	130,000
Bridge Loan (in default)	Financial Services	3.7%	130,000
West Energy Ltd.	Marketable Securities	2.9%	99,600
Holloway Lodging - Debenture	Marketable Securities	2.6%	90,843
Commercial Loan (expires Dec 2009)	Financial Services	2.6%	89,850
Royal Host D - Debenture	Marketable Securities	2.2%	76,050
BNP Resources - B	Marketable Securities	0.6%	21,625
Rockwell Diamonds	Marketable Securities	0.4%	14,625
Action Energy Inc.	Marketable Securities	0.2%	8,438

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INTERNAL CONTROLS OVER FINANCIAL REPORTING

The design of the Partnership's internal control over financial reporting was assessed by the CEO and CFO on December 31, 2008 pursuant to the requirements of Multilateral Instrument 52-109 of the Canadian Securities Administrators. During this process, management identified the following weaknesses in internal control over financial reporting:

- (a) Due to the limited number of staff, it is not possible to achieve a segregation of duties; and
- (b) Due to the limited number of staff, there is no independent review of more complex areas of accounting. This may result in inadvertent errors in the accounting for income taxes, complex or non-routine accounting transactions that may arise.

These weaknesses in the Partnership's internal controls over financial reporting results in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting through the following:

- (a) Employing additional individuals to increase segregation of duties and provide review functions;
- (b) Due to the limited number of transactions, Amalgamated's auditors are able to review all the material risk areas on at least an annual basis; and
- (c) When complex accounting and technical issues arise during the preparation of the quarterly consolidated financial statements, outside consulting expertise is engaged.

Management has evaluated whether there were changes in the Partnership's internal controls over financial reporting during the most recent interim period ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, the Partnership's internal controls over financial reporting. No such changes were identified through management's evaluation.

**AMALGAMATED INCOME LIMITED PARTNERSHIP
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OUTLOOK

Management is currently selling investments in order to maximize limited partners' value and hopes to distribute cash or in-kind distributions of the remaining assets prior to December 15, 2010. As at November 12, 2009, management estimates that the net realizable value of the Partnership was \$3.43 per unit which also incorporates estimated wind-up costs of approximately \$900,000 to \$1,200,000. Management estimates that the net realizable value of the Partnership has increased mainly as a result of the increase in the value of Amalgamated's Paddington units.

After September 30, 2009 the Partnership acquired an additional 374,755 units of Paddington Properties Partnership at a price of \$4.75 per unit, for total consideration of \$1,780,086. Amalgamated now owns 627,948 Paddington Properties Partnership units (~78.5%) of the outstanding units. In late October, 2009 the general partner of Paddington Properties Partnership placed the partnership's underlying asset up for sale at a list price of \$6.80 million dollars. Amalgamated estimates this to translate to, approximately \$5.05 per Paddington unit. There is no assurance that the property will be sold at that price, at this time.

The asset mix of the Partnership as at November 12, 2009 was 51% in working capital and marketable securities (72% as at September 30, 2009), 2% in MFLP and Notes (2% as at September 30, 2009), 18% in Financial Services (19% as at September 30, 2009), and 29% in RELP (7% as at September 30, 2009). The final net realizable value will depend on various factors including the performance of the Partnership's investments between November 12, 2009 and the final wind-up date; outcome of the contingent liability as discussed above under *Contingencies*; and the level of distributions between November 12, 2009 and the final distribution date.

Submitted by:

Elias Foscolos
President & CFO

Chris Boatman
CEO

Forward Looking Statements

Except for historical financial information contained herein, the matters discussed in this MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning.

In addition, any statement that may be made concerning future performance, strategies or prospects and possible future Partnership action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Partnership. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) reliance on revenue from MFLPs, Financial Services, and RELPs, (iv) changes in general economic conditions, (v) changes in foreign exchange rates, (vi) changes in interest rates, (vii) reliance on the effectiveness of management of underlying investments, (viii) availability of additional investments at advantageous prices, (ix) changes in Regulations under the Income Tax Act, (x) reliance on the General Partner to execute accretive transactions, (xi) general operating risks, (xii) effects of competition, and (xiii) dependent on senior management. A detailed discussion of risks can be found in the Annual Information Return filed for the year ended December 31, 2008. We stress that the above mentioned list of important factors is not exhaustive.

We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Partnership has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise except as required under applicable securities law.

AMALGAMATED INCOME LIMITED PARTNERSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
Nine Months Ended September 30, 2009

November 12, 2009

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