Integrated Asset Management Corp.

Leadership in

Alternative Asset Management

FIRST QUARTER FINANCIAL STATEMENTS, DECEMBER 31, 2011

Integrated Asset Management Corp.
Consolidated Statements of Financial Position - Unaudited

	December 31, 2011	September 30, 2011	October 1, 2010
Assets			
Current			
Cash and cash equivalents	**$ 3,421,292**	$ 8,158,037	$ 9,715,604
Receivables	**1,878,709**	2,059,187	2,277,584
Income taxes recoverable	**190,379**	105,440	238,901
Prepaids	**340,007**	267,059	349,225
Investments in funds managed by the Corporation	**12,485,375**	11,674,406	2,694,580
Other assets (Note 8)	**63,500**	30,500	26,000
	18,379,262	22,294,629	15,301,894
Property and equipment	**302,727**	319,256	394,370
Intangibles (Note 6)	**6,614,356**	6,896,111	8,115,782
Investments in funds managed by the Corporation	**919,295**	919,295	1,155,514
Other assets (Note 8)	**2,091,406**	2,115,594	2,660,493
Deferred income taxes (Note 14)	**139,661**	202,816	227,846
	$ 28,446,707	$ 32,747,701	$ 27,855,899
Liabilities			
Current			
Payables and accruals	**$ 3,132,625**	$ 6,165,507	$ 5,319,732
Deferred revenue	**102,761**	120,348	210,105
Dividends payable	**-**	-	1,132,406
Preferred shares of subsidiary	**100,000**	100,000	100,000
Income taxes payable	**1,921**	1,407,807	1,857,874
	3,337,307	7,793,662	8,620,117
Tenant inducements and deferred revenue	**114,419**	115,544	339,744
Deferred income taxes (Note 14)	**1,313,128**	1,377,391	1,784,754
	4,764,854	9,286,597	10,744,615
Non-controlling interest	**4,619,491**	4,017,181	689,686
Shareholders' Equity			
Capital stock (Note 9)	**20,109,870**	20,109,870	20,109,870
Contributed surplus (Note 9)	**961,447**	952,349	869,417
Deficit	**(2,008,955)**	(1,618,296)	(4,557,689)
	19,062,362	19,443,923	16,421,598
	$ 28,446,707	$ 32,747,701	$ 27,855,899

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statements of Income (Loss) – Unaudited

For the three-month period ended December 31	2011	2010
Revenue		
Management fees, administration and redemption fees	$ 3,841,593	$ 4,152,461
Performance fees	19,928	2,990,656
Investment gain	282,000	191,691
Interest and other income	58,807	175,695
	4,202,328	7,510,503
Expenses		
Selling, general and administration	3,558,438	3,941,487
Stock-based compensation (Notes 9 and 11)	9,097	23,825
Investment advisor fees	79,058	91,353
Service fees paid to dealers	373,151	284,578
Investment advisor, service fees and expenses paid relating to performance fees revenue earned	1,331	1,257,404
Amortization of property and equipment	30,481	41,771
Amortization of intangibles	299,885	301,931
Interest expense	6,728	8,190
	4,358,169	5,950,539
Income (loss) before income taxes and non-controlling interest	(155,841)	1,559,964
Income taxes (recovery)		
Current	85,538	213,394
Deferred	(1,108)	(82,925)
	84,430	130,469
Income (loss) before non-controlling interest	(240,271)	1,429,495
Non-controlling interest share of loss (income)	(150,388)	19,041
Net income (loss) and comprehensive income (loss)	$ (390,659)	$ 1,448,536
Basic and diluted earnings per share	$ (0.01)	$ 0.05
Weighted average number of shares outstanding, basic and diluted	28,310,150	28,310,150

Retained earnings (deficit), beginning of period	$ (1,618,296)	$ (4,557,689)
Net income (loss)	(390,659)	1,448,536
Retained earnings (deficit), end of period	$ (2,008,955)	$ (3,109,153)

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statement of Changes in Shareholder's Equity - Unaudited

	Number of Shares Outstanding	Capital Stock	Contributed Surplus	Retained Earnings (Deficit)	Total Equity
		$	$	$	$
At October 1, 2011	**28,310,150**	**20,109,870**	**952,349**	**(1,618,296)**	**19,443,923**
Stock-based compensation	-	-	9,097	-	9,097
Net loss	-	-	-	(390,659)	(390,659)
Balance, December 31, 2011	**28,310,150**	**20,109,870**	**961,446**	**(2,008,955)**	**19,062,361**
At October 1, 2010	**28,310,150**	**20,109,870**	**869,417**	**(4,557,689)**	**16,421,598**
Stock-based compensation	-	-	23,825	-	23,825
Net income	-	-	-	1,448,536	1,448,536
Balance, December 31, 2010	**28,310,150**	**20,109,870**	**893,242**	**(3,109,153)**	**17,893,959**

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statements of Cash Flows - Unaudited
For the three-month period ended December 31

Increase (decrease) in cash and cash equivalents

		2011		2010
Operating activities				
Net (loss) income	$	**(390,659)**	$	1,448,536
Add (subtract) non-cash items:				
Stock-based compensation (Note 9 and 11)		**9,097**		23,825
Amortization of property and equipment		**30,481**		41,771
Amortization of intangible assets		**299,885**		301,931
Deferred income taxes recovery		**(1,108)**		(82,925)
Non-controlling interest share of income (loss)		**150,388**		(19,041)
Investment (gain) loss		**(282,000)**		(191,691)
Other		**(9,642)**		(5,235)
Change provided by (used in) operating activities before changes in operating assets and liabilities		**(193,558)**		1,517,171
Net change in non-cash balances relating to operations		**(2,851,799)**		(3,698,531)
Interest paid		**(6,728)**		(8,190)
Income taxes paid		**(1,580,000)**		(2,317,000)
Cash used in operating activities		**(4,632,085)**		(4,506,550)
Investing activities				
Purchase of property and equipment		**(16,992)**		(10,412)
Purchase of other assets		**-**		(32,927)
Deferred sales commissions paid		**(11,451)**		-
Cash used in investing activities		**(28,443)**		(43,339)
Financing activities				
Dividends paid to shareholders		**-**		(1,132,406)
Distributions paid to non-controlling interests		**(76,217)**		-
Repayment of management loans		**-**		10,500
Cash used in financing activities		**(76,217)**		(1,121,906)
Decrease in cash and cash equivalents		**(4,736,745)**		(5,671,795)
Cash and cash equivalents, beginning of period		**8,158,037**		9,715,604
Cash and cash equivalents, end of period	$	**3,421,292**	$	4,043,809

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).

The Corporation manages assets across a variety of alternative asset classes for retail, institutional and high net worth customers. All of the Corporation's revenues and cash flows are derived from managing and administering this business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements have been prepared in accordance Internationally Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies that the Corporation expects to adopt in its financial statements as at and for the year ending September 30, 2012. The Corporation will ultimately prepare its opening balance sheet and financial statements for 2012 and 2011 by applying existing IFRS with an effective date of September 30, 2012 or prior. Accordingly, the opening balance sheet and financial statements for 2011 and 2012 may differ from these financial statements.

As these interim consolidated financial statements are the Corporation's first financial statements prepared using International Financial Reporting Standards ("IFRS"), certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in the Corporation's more recent annual financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP") have been included in these financial statements for the comparative annual period.

These interim consolidated financial statements should be read in conjunction with the Corporation's 2011 annual financial statements and in consideration of the IFRS transition disclosures included in Note 3 to these financial statements and the additional annual disclosures included herein.

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)
Integrated Private Debt Corp. ("IPD")	100%	
BluMont Capital Inc. ("BluMont Capital")	100%	
Integrated Managed Futures Corp. ("IMFC")	77.5%	(2)
River Plate House Capital Management Inc. ("River Plate House")	51%	(3)
OreReserve Asset Management Inc. ("OreReserve")	51%	(4)
Integrated Partners Holding GP One Limited ("IPHGPOL")	57.8%	

(1) In fiscal 2009, the Corporation acquired the remaining 25.025% of GPM that it did not already own. The vendor retained his 25.025% pro-rata economic interest in two assets of GPM: (i) performance fees that may be realized by GPM from specific funds in the future, and (ii) proceeds on the disposition of a single real estate investment.
(2) Includes 32.5% owned by BluMont Capital
(3) Incorporated April 28, 2010
(4) Incorporated January 23, 2009

The consolidated financial statements include all the assets, liabilities and operations of two funds managed by the Corporation in which the Corporation owned more than a 50% interest in those funds (Note 7).

Use of estimates
The consolidated financial statements of the Corporation have been prepared by management in accordance with IFRS. The preparation of financial statements in conformity with IFRS 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 records current tax assets and liabilities by measuring the amounts expected to be recovered from, or paid to, the taxation authorities. The Corporation provides for income taxes using the asset and liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the substantially enacted tax rates and laws that will likely be in effect when the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, such as unused tax losses, can be utilized.

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

Furniture and fixtures	20% diminishing balance basis
Computer hardware	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 gain (loss). Available for sale securities that do not have a quoted market price in an active market are measured at fair value and in limited circumstances cost may be an approximate estimate of fair value. When the Corporation owns at least 50% of the units or shares of a fund it manages, it consolidates that fund. The investments held by those funds are also classified as held for trading and reported at fair value.

Intangible assets
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 by comparing the recoverable amount with their carrying value. These evaluations are 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. 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.

Software & Website
The costs of purchasing computer software and website development are capitalized where it is probable that future economic benefits that are attributable to the assets will flow to the Corporation and the cost of the assets can be measured reliably. Computer software is recorded initially at cost and amortized at 30% diminishing balance basis.

Deferred sales commissions
Sales commissions paid on the sale of low load mutual fund securities are recorded at cost and amortized on a straight-line basis over a maximum of three years. Unamortized deferred sales commissions are written down to the extent that the carrying value exceeds the expected future revenue on an undiscounted basis. When redemptions of units of mutual funds occur, the actual investment period is shorter than expected, and the unamortized deferred sales commissions related to those units is charged to net income and included in the amortization of deferred sales commissions.

Financial Instruments
All financial instruments are required to be measured at fair value on initial recognition. Measurement and recognition in subsequent years depends on whether the financial instrument has been classified as held-for-trading, available-for sale, held-to-maturity, loans and receivables, or other financial liabilities.

The Corporation's financial instruments consists of cash and cash equivalents, held-for-trading investments, receivables, investment in funds managed by the Corporation, management loans, receivable from fund managed by the Corporation, accounts payable, accrued liabilities and preferred shares of subsidiary. Held-for-trading investments are recorded at fair value, established at the closing bid price for these investments on the recognized exchange on which it is principally traded. Investments which are not publicly traded or other assets for which no public market exists are valued at estimated fair value. The fair value of these investments is determined using an appropriate valuation methodology and use of observable data, as determined appropriate by management. The accounts receivable, accounts payable and accrued liabilities are classified as loans and receivables or other financial liabilities and are carried at amortized cost.

Fair value hierarchy
The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to inputs that are not based on observable market data (level 3). The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data

Refer to Note 13 for fair value hierarchy and financial instruments disclosure.

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 per share
Earnings 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 net 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.

Stock-based compensation
The Corporation applies the fair value based method of accounting for stock options granted to employees and directors. The value of the compensation expense, as at the date of grant, is expensed over the applicable vesting period with a corresponding increase in contributed surplus.

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

Significant accounting estimates
The process of applying the Corporation's accounting policies requires management to make significant judgments involving estimates and assumptions. Those key assumptions and estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are described below.

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

Fair value of financial investments
In situations where the fair value of financial assets and financial liabilities cannot be derived from active markets, they are determined using other methodology which requires a degree of judgment. Changes in the underlying assumptions could affect the reported financial assets and financial liabilities.

Deferred tax assets
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine whether it is probable that taxable profits will be available in the future to utilize tax losses. Changes in the underlying assumptions could affect whether unused tax losses are recognized as a deferred tax asset or not.

Impairment of intangible assets
Intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. These reviews require significant estimates and assumptions about future market growth rates, fund flow assumptions and costs.

Revenue recognition
The primary issue in accounting for revenue is determining when to recognize revenue and there are certain criteria that need to be met in order to recognize revenue at that time. In certain circumstances, significant judgment could be required to determine whether these criteria have been met.

3. TRANSITION TO IFRS

The Corporation has adopted IRFS effective October 1, 2011. Prior to the adoption of IFRS the Corporation prepared its consolidated financial statements in accordance with Canadian GAAP. The Corporation's consolidated financial statements for the year ending September 30, 2012 will be the first annual consolidated financial statements that comply with IFRS. Accordingly, the Corporation will make an unreserved statement of compliance with IFRS beginning with its 2012 annual consolidated financial statements. The Corporation's transition date is October 1, 2010 ("Transition Date") and the Corporation has prepared its IFRS opening consolidated balance sheet at that date. These unaudited interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2. In preparing the Corporation's first annual consolidated financial statements under IFRS, the Corporation is required to use the standards in effect as of September 30, 2012. Differences may arise as a result of new standards being issued, with an effective date of September 30, 2012 or prior, before the preparation of the Corporation's 2012 annual consolidated financial statements. Accordingly, the opening balance sheet and financial statements for fiscal 2011 and 2012 may differ from these unaudited interim consolidated financial statements.

In preparing these unaudited interim consolidated financial statements, the Corporation has adjusted certain previously reported amounts prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has impacted the Corporation's consolidated financial statements is set out in the following notes.

Initial election on first-time adoption of IFRS

As a general rule, IFRS requires full retrospective application of applicable accounting standards. IFRS 1 *First-Time Adoption of International Financial Reporting Standards (*"IFRS 1") does however provide entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions to this general requirement.

Elected exemptions from full retrospective application

- IFRS 1 provides the option to apply IFRS 3 *Business Combinations*, retrospectively or prospectively from the Transition Date. The retrospective basis would require restatement of all business combinations that occurred prior to the Transition Date. The Corporation elected to not apply IFRS 3 retrospectively to business combinations that occurred prior to the Transition Date.
- IFRS 2 *Share-based Payments*, encourages, but does not require, application of its provisions to equity instruments granted on or before November 7, 2002, and permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Corporation did not apply IFRS 2 *Share-based Payments* to equity instruments that were granted on or before November 7, 2002, nor has it been applied to equity instruments granted after November 7, 2002 that vested before October 1, 2010.

Mandatory exceptions to full retrospective application

In accordance with the mandatory exceptions to retrospective restatement under IFRS 1, hindsight was not used to create or revise estimates at the Transition Date and, accordingly, the estimates previously made by the Corporation under Canadian GAAP are consistent with their application under IFRS, except where necessary to reflect any difference in accounting policies.

First IFRS financial statements

The first date at which IRFS was applied is October 1, 2010. In accordance with IFRS, the Corporation has:

- provided comparative financial information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied all effective IFRS standards as of October 1, 2011, as required; and
- applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

Reconciliation of Canadian GAAP to IFRS
IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. These reconciliations along with the explanation of the differences are presented as follows:

Reconciliation of shareholders' equity as reported under Canadian GAAP to IFRS:

	September 30, 2011	**December 31, 2010**	**October 1, 2010**
Shareholders' equity under Canadian GAAP	$ 19,462,841	$ 17,925,846	$ 16,458,720
Differences to reported shareholders' equity			
(i) Fair value adjustment to receivable, net of tax	(18,918)	(31,887)	(37,122)
(ii) Stock-based compensation adjustment	2,905	-	32,925
(iii) Adjustment to Contributed Surplus	(2,905)	-	(32,925)
Shareholders' equity under IFRS	$ 19,443,923	$ 17,893,959	$ 16,421,598

Reconciliation of net income and comprehensive income as reported under Canadian GAAP to IFRS

	For the year ended September 30, 2011	For the three months ended December 31, 2010
Net income and comprehensive income under Canadian GAAP	$ 4,333,792	$ 1,443,301
Differences to reported net income and comprehensive income		
(i) Fair value adjustment to receivable, net of tax	18,204	5,235
(ii) Stock-based compensation adjustment	2,905	-
Net income and comprehensive income under IFRS	**$ 4,354,901**	$ 1,448,536

Reconciliations of cash flow activities as reported under Canadian GAAP to IFRS
The transition from Canadian GAAP to IFRS has not had a significant effect on the presentation of the Corporation's consolidated statement of cash flows for the three months ended December 31, 2010 and the year-ended September 30, 2011.

Notes to the reconciliations

(i) Fair value of receivable from fund managed by the corporation – the Corporation estimated the fair value of the receivable at the Transition Date

(ii) Stock-based compensation adjustment represents a forfeiture rate being applied to the stock-based expense.

4. CHANGES IN ACCOUNTING POLICIES

Future changes in accounting policies

Financial Instruments

In November 2009, the IASB issued IFRS 9 *Financial Instruments* (“IFRS 9”) which will replace IAS 39 *Financial Instruments: Recognition and measurement* (“IAS 39”).

In October 2010, the IASB issued a revised version of IRFS 9. The revised standard adds guidance on the classification and measurement of financial liabilities.

In May 2011, the IASB issued the following standards which have not yet been adopted by the Corporation: IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements,* IFRS 12 *Disclosure of Interests in Other Entities,* IFRS 27 *Separate Financial Statements,* IFRS 13 *Fair Value Measurement* and amended IAS 28, *Investments in Associates and Joint Ventures.*

Each of the aforementioned new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Corporation has not yet begun to process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

5. PROPERTY AND EQUIPMENT

	December 31, 2011	September 30, 2011
Cost		
Furniture and fixtures	**$ 248,007**	$ 246,707
Computer hardware	**816,514**	803,862
Leasehold improvements	**446,861**	446,861
	$ 1,511,382	$ 1,497,430
Accumulated amortization		
Furniture and fixtures	**$ 170,864**	$ 167,529
Computer hardware	**692,959**	683,794
Leasehold improvements	**344,832**	326,851
	$ 1,208,655	$ 1,178,174
Net book value		
Furniture and fixtures	**$ 77,143**	$ 79,178
Computer hardware	**123,555**	120,068
Leasehold improvements	**102,029**	120,010
	$ 302,727	$ 319,256

6. INTANGIBLES

	Fund Management Contracts – finite life	Goodwill	Computer Software & Website	Deferred sales commissions	Total
Cost					
As at October 1, 2010	$ 18,710,858	$ 1,578,471	$ 926,872	$ -	$ 21,216,201
Additions	-	-	37,713	4,500	42,213
As at September 30, 2011	$ 18,710,858	$ 1,578,471	$ 964,585	$ 4,500	$ 21,258,414
Additions	-	-	3,042	11,451	14,493
As at December 31, 2011	$ 18,710,858	$ 1,578,471	$ 967,627	$ 15,951	$ 21,272,907
Accumulated amortization					
As at October 1, 2010	$ (12,335,518)	$ -	$ (764,901)	$ -	$ (13,100,419)
Charge for the period	(1,205,540)	-	(56,344)	-	(1,261,884)
As at September 30, 2011	$ (13,541,058)	$ -	$ (821,245)	$ -	$ (14,362,303)
Charge for the period	(284,137)	-	(10,782)	(1,329)	(296,248)
As at December 31, 2011	$ (13,825,195)	$ -	$ (832,027)	$ (1,329)	$ (14,658,551)
Net Book Value at:					
October 1, 2010	$ 6,375,340	$ 1,578,471	$ 161,971	$ -	$ 8,115,782
September 30, 2011	$ 5,169,800	$ 1,578,471	$ 143,340	$ 4,500	$ 6,896,111
December 31, 2011	$ 4,885,663	$ 1,578,471	$ 135,600	$ 14,622	$ 6,614,356

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.

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

Goodwill is comprised of the excess of the purchase price over the amounts assigned to the assets acquired and liabilities assumed at the time of purchase of the Real Estate Asset Management and Private Corporate Debt operations.

The Corporation evaluates goodwill and other intangible assets for impairment annually or more often if events or circumstances indicate there may be impairment. These intangible assets would be impaired if the carrying value of a cash-generating unit including the allocated intangible assets exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell or value in use.

7. INVESTMENTS IN FUNDS MANAGED BY THE CORPORATION

	December 31, 2011	September 30, 2011
Held for trading securities, positions held long (Note 13)	$ 12,602,961	$ 11,773,507
Held for trading securities, positions held short (Note 13)	(50,212)	(31,727)
Available for sale securities, positions held long (Note 13)	851,921	851,921
	$ 13,404,670	$ 12,593,701
Less amount included in current assets	(12,485,375)	(11,674,406)
	$ 919,295	$ 919,295

As at December 31, 2011, the Corporation owned in excess of a 50% interest in one fund (at September 30, 2011: two funds) and, in accordance with IFRS, included all of the assets, liabilities and results of operations of the funds in the Corporation's consolidated financial statements. The non-controlling interest in the amount of $4,167,041 (September 30, 2011 - $3,476,991) has been included on the Corporation's consolidated balance sheet as a result of this consolidation.

8. OTHER ASSETS

	December 31, 2011	September 30, 2011
Management loans (a)	$60,667	$60,667
Receivable from fund managed by the Corporation (b)	2,036,239	2,027,427
Other	58,000	58,000
	$2,154,906	2,146,094
Less amount included in current assets	(63,500)	(30,500)
	$2,091,406	$2,115,594

(a) Each of the management loans is collateralized 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 in accordance with their respective loan agreements. In the event of termination, the repayment schedule of the principal amount outstanding will be accelerated.

(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 $1.7 million is over one year old) will be received when the fund's investments are monetized, which may occur in the second half of fiscal 2012.

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, 2010	28,310,150	$20,109,870	$869,417
Stock-based compensation (Note 11)	-	-	82,933
Balance, September 30, 2011	28,310,150	$20,109,870	$952,350
Stock-based compensation (Note 11)	-	-	9,097
Balance, December 31, 2011	28,310,150	$20,109,870	$961,447

During the quarter ended December 31, 2011, the amount of $9,097 credited to Contributed Surplus represents the stock-based compensation expense of $9,097 for stock options granted by the Corporation as shown on the Consolidated Statement of Operations.

The Corporation had no net Other Comprehensive Income for the quarter ended December 31, 2011 and the Corporation does not have any Accumulated Other Comprehensive Income as at December 31, 2011.

10. INVESTMENT GAIN (LOSS)

	Quarter ended December 31, 2011	Year ended September 30, 2011
Held for trading securities (a)	$282,000	$(236,363)
Other assets (b)	-	3,296,827
	$282,000	$3,060,464

(a) The Corporation invests in funds managed by the Corporation (Note 7) and recognizes the change in market value of 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 global bond fund and the common shares of a publicly listed Corporation.

Included in these amounts is investment gain (loss) of $161,911 [September 30, 2011 - $ (69,367)] in respect of funds consolidated in these financial statements and are in respect of securities owned by third party investors unrelated to the Corporation.

(b) The Corporation realized a gain on its shareholding in a company which sold its investment in real estate during fiscal 2011.

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 December 31, 2011 there were 2,380,000 common shares (September 30, 2011 – 2,570,000 common shares) reserved for issuance on exercise of stock options. There were no new shares issued under the directors' compensation plan which was implemented in 2009.

These options expire in fiscal years 2013 through 2018 and may be exercised at prices ranging from $0.70 to $1.50 per common share with a total exercisable value of $2,312,000 (September 30, 2011 - $2,469,000).

Incentive stock options have one of the following vesting schedules.

(i) one-third on the date of grant and 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.

The following table summarizes information about the Corporation's stock option plan at December 31, 2011;

Number of Options Outstanding	Number of Options Vested	Exercise Price	Expiry Date
140,000	-	$0.90	2018
1,465,000	-	$0.70	2017
40,000	26,667	$1.45	2014
735,000	735,000	$1.50	2013
2,380,000	761,667		

The changes in the stock options in the quarter ended December 31, 2011 are as follows:

	Total number of Option	Weighted Average Exercise Price
September 30, 2011		
Outstanding at beginning of year	2,707,857	$0.99
Granted	140,000	$0.90
Cancelled and expired	(277,857)	$1.39
Outstanding at end of year	2,570,000	$0.96
December 31, 2011		
Cancelled and expired	(190,000)	$0.83
Outstanding at end of quarter	2,380,000	$0.97

12. COMMITMENTS

(a) Future minimum annual lease payments under operating leases as at September 30, 2011 are as follows:

2012	**$ 888,000**
2013	**603,000**
2014 and thereafter	**-**
	$ 1,491,000

(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 unit holders. 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.

13. 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, President, 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 IFRS 7 *Financial Instruments: Disclosures* as follows:

As at December 31, 2011	**Available For Sale**	**Held for Trading**	**Loans and Receivables or Other Financial Liabilities**
Cash and cash equivalents	$ -	$ 3,421,292	$ -
Receivables	-	-	1,878,709
Investments in funds managed by the Corporation	851,921	12,602,961	-
Other assets	-	-	1,994,458
Total financial assets	$ 851,921	$ 16,024,253	$ 3,873,167
Payables and accruals	$ -	$ -	$ 3,132,625
Investments in funds managed by the Corporation	-	4,217,253	-
Preferred shares of subsidiary	-	-	100,000
Total financial liabilities	$ -	$ 4,217,253	$ 3,232,625

As at September 30, 2011	Available For Sale	Held for Trading	Loans and Receivables or Other Financial Liabilities
Cash and cash equivalents	$ -	$ 8,158,037	$ -
Receivables	-	-	2,059,187
Investments in funds managed by the Corporation	851,921	11,773,507	-
Other assets	-	-	2,118,594
Total financial assets	$ 851,921	$ 19,931,544	$ 4,177,781
Payables and accruals	$ -	$ -	$ 6,165,507
Investments in funds managed by the Corporation	-	3,508,718	-
Preferred shares of subsidiary	-	-	100,000
Total financial liabilities	$ -	$ 3,508,718	$ 6,265,507

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 global bond 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.

Based on the carrying value of the investments in funds managed by the Corporation at December 31, 2011, the effect of a 10% increase or decline in the value of investments would result in approximately a $0.6 million (September 30, 2011 - $0.6 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.

The Corporation holds approximately US $0.4 million (September 30, 2011 – US $0.5 million) in cash and cash equivalents as at December 31, 2011. 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 81% of the Corporation's receivables at December 31, 2011 are due within thirty days (September 30, 2011 – 74%). Approximately $2.1 million of receivables have been classified as long term, of which $1.7 million are over one year old.

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 December 31, 2011 and all payables, preferred shares of subsidiary and accrued liabilities are due within one year.

Fair Value Hierarchy
IFRS 7 *Financial Instruments: Disclosures* as issued by the IASB requires disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs to the valuation of an asset or liability as of the measurement date.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of inputs that are not based on observable market data, in which case it is reclassified as Level 3. There were no transfers between levels during the quarter.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The following tables represent the level within the fair value hierarchy for each of the financial assets and liabilities carried at fair value:

	Financial instruments at fair value			
December 31, 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 3,421,292	$ -	$ -	$ 3,421,292
Marketable securities	8,385,708	325,656	-	8,711,364
Total	$ 11,807,000	$ 325,656	-	$ 12,132,656

	Financial instruments at fair value			
September 30, 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 8,158,037	$ -	$ -	$ 8,158,037
Marketable securities	8,259,722	319,402	-	8,579,124
Total	$ 16,417,759	$ 319,402	-	$ 16,737,161

Financial instruments not carried at fair value
For fees receivable, other assets, accounts payable and accrued liabilities and compensation payable, the carrying amount represents a reasonable approximation of fair value due to their short term nature.

Marketable Securities
The Corporation's marketable securities are classified as Level 1 when the security is actively traded and a reliable quote is available. Marketable securities consist of investments in funds managed by the Corporation (held for trading securities) and common shares of a publicly – listed Canadian company.

14. INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The movement in significant components of the Corporation's income tax liabilities and assets for the quarter ended December 31, 2011 is a follows:

	As at October 1, 2011	Recognized in income	As at December 31, 2011
Deferred income tax liabilities			
Fund management contracts	$ 1,326,602	$ (80,767)	$ 1,245,835
Other	50,789	16,504	67,293
Total deferred income tax liabilities	**$ 1,377,391**	**$ (64,263)**	**$ 1,313,128**
Deferred income tax assets			
Unused tax losses	175,893	(46,784)	129,109
Other	26,923	(16,371)	10,552
Total deferred income tax assets	**$ 202,816**	**$ (63,155)**	**$ 139,661**
Net deferred income tax liabilities	**$ 1,174,575**	**$ (1,108)**	**$ 1,173,467**

The movement in significant components of the Corporation's income tax liabilities and assets for the year ended September 30, 2011 is a follows:

	As at October 1, 2010	Recognized in income	As at September 30, 2011
Deferred income tax liabilities			
Fund management contracts	$ 1,674,268	$ (347,666)	$ 1,326,602
Other	110,486	(59,697)	50,789
Total deferred income tax liabilities	**$ 1,784,754**	**$ (407,363)**	**$ 1,377,391**
Deferred income tax assets			
Unused tax losses	185,465	(9,572)	175,893
Other	42,381	(15,458)	26,923
Total deferred income tax assets	**$ 227,846**	**$ (25,030)**	**$ 202,816**
Net deferred income tax liabilities	**$ 1,556,908**	**$ (382,333)**	**$ 1,174,575**

The ultimate realization of deferred tax assets is dependent upon future taxable profits during the periods in which those temporary differences become deductible. Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable that the Corporation will realize the benefits of these deductible differences.

15. COMPENSATION OF KEY MANAGEMENT

The remuneration of directors and other key management personnel of the Corporation during the year ended September 30, 2011 is as follows;

	Year ended September 30, 2011
Salaries	$ 3,878,223
Equity-based compensation	126,000
Total	$ 4,004,223

16. 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 debt will not be a material component of 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 require it to maintain a minimum free capital of $300,000. The Corporation has complied with this requirement as at December 31, 2011.

17. COMPARATIVE FIGURES

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

18. INDEPENDENT REVIEW

The quarterly consolidated financial statements have not been reviewed by the Corporation’s external auditors.

Board of Directors
December 31, 2011

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

David Atkins (1) (2)
Chairman, Nightingale Informatix Corporation

Joseph Benarrosh
Directeur, Quebec
Integrated Asset Management Corp.

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 Operating Officer,
Integrated Asset Management Corp.

(1)Member of the Audit Committee
(2)Member of the Compensation and Governance Committee
(3)Secretary of the Corporation

Integrated Asset Management Corp.

Principal Officers
December 31, 2011

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

John Robertson
President and Chief Operating Officer

Stephen Johnson
Chief Financial Officer

David Mather
Executive Vice President

Paul Patterson
Vice President, Private Investment

Tom Felkai
Corporate Controller

Quebec Representative
Joseph Benarrosh
Directeur, Quebec

Integrated Partners
Victor Koloshuk
Chairman

Stephen Johnson
Senior Vice President

GPM
David Warkentin
Senior Vice President
Investments

Rick Zagrodny
Senior Vice President
Asset Management

Robert Burns
Chief Financial Officer

GPM
David Becket
Vice President
Asset Management

Frank Bartello
Vice President
Acquisitions

GPH
Robert Hamilton
President

Integrated Private Debt Corp.
John Robertson
Chairman

Philip Robson
President

Donald Bangay
Chief Investment Officer

Dennis McCluskey
Chief Risk Officer

Frank Duffy
Managing Director

Michael LeClair
Managing Director

Douglas Zinkiewich
Managing Director

Integrated Managed Futures Corp.
Stephen Johnson
Chairman

Roland Austrup
Chief Executive Officer and Chief
Investment Officer

David Mather
President and Chief Operating Officer

Robert Koloshuk
Senior Strategist and Director of Trading

Paul Patterson
Director of Business Development

BluMont Capital
Victor Koloshuk
Chairman

James Wanstall
Chief Executive Officer

Veronika Hirsch
Chief Investment Officer

Hugh Cleland
Executive Vice President
and Portfolio Manager

Alex Ruus
Executive Vice President
and Portfolio Manager

Stephen Johnson
Chief Financial Officer

Richard Goode
Senior Vice President
National Sales

Lisa Christie
Vice President
Fund Operations

**River Plate House Capital
Management Inc.**
Michael Hyman
President, Chief Executive
Officer and Chief Investment Officer

Julian Smith
Executive Vice President
and Chief Operating Officer

Integrated Asset Management Corp.

Corporate Information
December 31, 2011

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PricewaterhouseCoopers LLP

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Equity Transfer & Trust Company

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