



Leadership in

Alternative Asset Management

SECOND QUARTER FINANCIAL STATEMENTS, MARCH 31, 2012

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

	March 31, 2012	September 30, 2011
Assets		
Current		
Cash and cash equivalents	\$ 3,186,586	\$ 8,158,037
Receivables	2,404,655	2,059,187
Income taxes recoverable	119,630	105,440
Prepays	348,006	267,059
Investments in funds managed by the Corporation (Note 5)	11,880,835	11,674,406
Other assets	<u>63,500</u>	<u>30,500</u>
	18,003,212	22,294,629
Property and equipment	287,203	319,256
Intangibles (Note 4)	6,410,111	6,896,111
Investments in funds managed by the Corporation (Note 5)	932,987	919,295
Other assets	2,191,368	2,115,594
Deferred income taxes	<u>106,998</u>	<u>202,816</u>
	\$ 27,931,879	\$ 32,747,701
Liabilities		
Current		
Payables and accruals	\$ 2,495,769	\$ 6,165,507
Deferred revenue	70,347	120,348
Preferred shares of subsidiary	100,000	100,000
Income taxes payable	<u>212,752</u>	<u>1,407,807</u>
	2,878,868	7,793,662
Tenant inducements and deferred revenue	32,287	115,544
Deferred income taxes	<u>1,236,676</u>	<u>1,377,391</u>
	4,147,831	9,286,597
Non-controlling interest (Note 5)	<u>4,949,736</u>	<u>4,017,181</u>
Shareholders' Equity		
Capital stock (Note 6)	20,109,870	20,109,870
Contributed surplus (Note 6)	978,283	952,349
Deficit	<u>(2,253,841)</u>	<u>(1,618,296)</u>
	18,834,312	19,443,923
	\$ 27,931,879	\$ 32,747,701

See accompanying notes to the consolidated financial statements.

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

For the period ended March 31	3 Months		6 Months	
	2012	2011	2012	2011
Revenues				
Management fees, administration and redemption fees	\$ 3,863,838	\$ 4,004,608	\$ 7,705,431	\$ 8,157,069
Performance fees	961,298	1,839	981,226	2,992,495
Investment gain	292,336	24,473	574,336	216,164
Interest and other income	71,181	26,871	129,988	202,566
	5,188,653	4,057,791	9,390,981	11,568,294
Expenses				
Selling, general and administration	3,932,911	3,376,154	7,491,349	7,317,641
Stock-based compensation (Notes 6 and 7)	16,837	23,825	25,934	47,650
Investment advisor fees	70,050	114,724	149,108	206,077
Service fees paid to dealers	377,967	367,133	751,118	651,711
Investment advisor, service fees and expenses paid relating to performance fees revenue earned	240,325	278	241,656	1,257,682
Amortization of property and equipment	31,110	41,129	61,591	82,900
Amortization of intangibles	301,662	301,932	601,547	603,863
Interest expense	7,053	7,494	13,781	15,684
	4,977,915	4,232,669	9,336,084	10,183,208
Income (loss) before income taxes and non-controlling interest	210,738	(174,878)	54,897	1,385,086
Income taxes (recovery)				
Current	282,344	159,167	367,882	372,561
Deferred	(40,150)	(77,383)	(41,258)	(160,308)
	242,194	81,784	326,624	212,253
Income (loss) before non-controlling interest	(31,456)	(256,662)	(271,727)	1,172,833
Non-controlling interest share of loss (income)	(213,430)	(16,878)	(363,818)	2,163
Net income (loss) and comprehensive income (loss)	(244,886)	(273,540)	(635,545)	1,174,996
Basic and diluted earnings per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ 0.04
Weighted average number of shares outstanding, basic and diluted	28,310,150	28,310,150	28,310,150	28,310,150
Retained earnings (deficit), beginning of period	\$ (2,008,955)	\$ (3,109,153)	\$ (1,618,296)	\$ (4,557,689)
Net income (loss)	(244,886)	(273,540)	(635,545)	1,174,996
Retained earnings (deficit), end of period	\$ (2,253,841)	\$ (3,382,693)	\$ (2,253,841)	\$ (3,382,693)

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	-	-	25,934	-	25,934
Net loss	-	-	-	(635,545)	(635,545)
Balance, March 31, 2012	28,310,150	20,109,870	978,283	(2,253,841)	18,834,312
At October 1, 2010	28,310,150	20,109,870	869,417	(4,557,689)	16,421,598
Stock-based compensation	-	-	47,650	-	47,650
Net income	-	-	-	1,174,996	1,174,996
Balance, March 31, 2011	28,310,150	20,109,870	917,067	(3,382,693)	17,644,244

See accompanying notes to the consolidated financial statements.

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

For the period ended March 31	3 Months		6 Months	
	2012	2011	2012	2011
Operating activities				
Net income (loss)	\$ (244,886)	\$ (273,540)	\$ (635,545)	\$ 1,174,996
Add (subtract) non-cash items:				
Stock-based compensation	16,837	23,825	25,934	47,650
Amortization of property and equipment	31,110	41,129	61,591	82,900
Amortization of intangible assets	301,662	301,932	601,547	603,863
Deferred income taxes recovery	(40,150)	(77,383)	(41,258)	(160,308)
Non-controlling interest share of income (loss)	213,430	16,878	363,818	(2,163)
Investment (gain) loss	(292,336)	(24,473)	(574,336)	(216,164)
Other	8,809	5,235	(833)	-
Cash provided by (used in) operating activities before changes in operating assets and liabilities	(5,524)	13,603	(199,082)	1,530,774
Net change in non-cash balances relating to operations	(1,112,541)	1,975,118	(5,551,068)	(4,048,603)
Cash used in operating activities	(1,118,065)	1,988,721	(5,750,150)	(2,517,829)
Investing activities				
Purchase of property and equipment	(28,516)	(33,143)	(45,508)	(43,555)
Purchase of other assets	-	-	-	(32,927)
Proceeds from funds managed by the Corporation	1,000,000	-	1,000,000	-
Deferred sales commissions paid	(88,125)	-	(99,576)	-
Cash provided by (used in) investing activities	883,359	(33,143)	854,916	(76,482)
Financing activities				
Dividends paid to shareholders	-	-	-	(1,132,406)
Distributions paid to non-controlling interests	-	-	(76,217)	-
Repayment of management loans	-	1,000	-	11,500
Cash provided by (used in) financing activities	-	1,000	(76,217)	(1,120,906)
Decrease in cash and cash equivalents	(234,706)	1,956,578	(4,971,451)	(3,715,217)
Cash and cash equivalents, beginning of period	3,421,292	4,043,809	8,158,037	9,715,604
Cash and cash equivalents, end of period	\$ 3,186,586	\$ 6,000,387	\$ 3,186,586	\$ 6,000,387
Supplemental cash flow information				
Interest paid	\$ 7,053	\$ 7,495	\$ 13,781	\$ 15,685
Income taxes paid	\$ -	\$ -	\$ 1,580,000	\$ 2,317,000

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited
March 31, 2012

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 with International 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.

These interim consolidated financial statements were prepared using the same accounting policies and methods of computation as those used in the preparation of the interim consolidated financial statements for the three months ended December 31, 2011, the Corporation's first financial statements prepared using IFRS.

These interim consolidated financial statements should be read together with the Corporation's 2011 annual financial statements (prepared in accordance with GAAP) and the Corporation's interim consolidated financial statements for the three months ended December 31, 2011 (prepared in accordance with IFRS) which contains additional IFRS disclosures.

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%	
River Plate House Capital Management Inc. ("River Plate House")	51%	
OreReserve Asset Management Inc. ("OreReserve")	51%	
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 which were paid in fiscal 2011.

The consolidated financial statements include all the assets, liabilities and operations of two funds managed by the Corporation for the period in which the Corporation owned more than a 50% interest in those funds (Note 5).

3. TRANSITION TO IFRS

The Corporation has adopted IFRS 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 referred to 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 finalization 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 IFRS 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 net income and comprehensive income in the prior fiscal year as reported under Canadian GAAP to IFRS

	For the three months ended March 31, 2011	For the six months ended March 31, 2011
Net income (loss) and comprehensive income under Canadian GAAP	\$ (278,797)	\$ 1,164,504
Difference to reported net income (loss) and comprehensive income		
(i) Fair value adjustment to receivable, net of tax	5,257	10,492
Net income (loss) and comprehensive income under IFRS	\$ (273,540)	\$ 1,174,996

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 six months ended March 31, 2011.

Note to the reconciliation

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

4. 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	-	-	15,972	99,575	115,547
As at March 31, 2012	\$ 18,710,858	\$ 1,578,471	\$ 980,557	\$ 104,075	\$ 21,373,961
Accumulated amortization					
As at October 1, 2010	\$ (12,335,518)	\$ -	\$ (764,901)	\$ -	\$ (13,100,419)
Charge for the year	(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	(575,550)	-	(22,488)	(3,509)	(601,547)
As at March 31, 2012	\$ (14,116,608)	\$ -	\$ (843,733)	\$ (3,509)	\$ (14,963,850)
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
March 31, 2012	\$ 4,594,250	\$ 1,578,471	\$ 136,824	\$ 100,566	\$ 6,410,111

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.

5. INVESTMENTS IN FUNDS MANAGED BY THE CORPORATION

	March 31, 2012	September 30, 2011
Held for trading securities, positions held long	\$ 15,378,736	\$ 11,773,507
Held for trading securities, positions held short	(3,416,835)	(31,727)
Available for sale securities, positions held long	851,921	851,921
	12,813,822	\$ 12,593,701
Less amount included in current assets	(11,880,835)	(11,674,406)
	\$ 932,987	\$ 919,295

As at March 31, 2012, 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 \$4,356,154 (September 30, 2011 - \$3,476,991) has been included on the Corporation's consolidated balance sheet as a result of this consolidation and represents the value of the units of the funds that were not owned by the Corporation.

6. 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 7)	-	-	82,932
Balance, September 30, 2011	28,310,150	\$20,109,870	\$952,349
Stock-based compensation (Note 7)	-	-	25,934
Balance, March 31, 2012	28,310,150	\$20,109,870	\$978,283

During the quarter ended March 31, 2012, the amount of \$16,837 credited to Contributed Surplus represents the stock-based compensation expense of \$16,837 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 March 31, 2012 and the Corporation does not have any Accumulated Other Comprehensive Income as at March 31, 2012.

7. 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 March 31, 2012 there were 2,290,000 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 \$2,193,000 (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 March 31, 2012;

Number of Options Outstanding	Number of Options Vested	Exercise Price	Expiry Date
140,000	-	\$0.90	2018
1,445,000	-	\$0.70	2017
40,000	40,000	\$1.45	2014
665,000	665,000	\$1.50	2013
<u>2,290,000</u>	<u>705,000</u>		

The changes in the stock options in the six months ended March 31, 2012 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
March 31, 2012		
Cancelled and expired	(280,000)	\$0.99
Outstanding at end of period	2,290,000	\$0.96

8. COMPARATIVE FIGURES

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

9. INDEPENDENT REVIEW

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

Integrated Asset Management Corp.

Board of Directors

March 31, 2012

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

March 31, 2012

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

Rick Zagrodny
President

David Warkentin
Senior Vice President
Investments

Robert Burns
Chief Financial Officer

Frank Bartello
Vice President
Acquisitions

David Becket
Vice President
Asset Management

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 Zinkewich
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

March 31, 2012

Auditors:

PricewaterhouseCoopers LLP

Transfer Agent:

Equity Transfer & Trust Company

Stock Listing:

TSX – “IAM”

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