



Leadership in

Alternative Asset Management

SECOND QUARTER FINANCIAL STATEMENTS, MARCH 31, 2013

Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited

	Notes	March 31, 2013	September 30, 2012
Assets			
Current			
Cash and cash equivalents		\$ 5,008,630	\$ 7,244,488
Receivables		1,476,089	1,176,566
Income taxes recoverable		279,899	-
Prepays		260,651	363,708
Investments in funds managed by the Corporation	(Note 3)	3,159,721	4,687,394
Other assets		33,334	33,268
Total current assets		<u>10,218,324</u>	<u>13,505,425</u>
Property and equipment		184,549	226,084
Intangible assets		5,361,382	5,900,777
Investments in funds managed by the Corporation	(Note 3)	700,540	771,411
Other assets		2,507,233	2,326,781
Deferred income taxes	(Note 9)	623,487	257,508
		\$ <u>19,595,515</u>	\$ <u>22,987,983</u>
Liabilities			
Current			
Payables and accruals		\$ 1,629,634	\$ 3,527,006
Deferred revenue		25,525	46,898
Income taxes payable		179,477	515,796
Non-controlling interest	(Note 3)	-	1,070,164
		<u>1,834,606</u>	<u>5,159,864</u>
Post retirement obligations	(Note 7)	156,000	-
Deferred income taxes	(Note 9)	933,084	1,063,005
Total liabilities		<u>2,923,690</u>	<u>6,222,869</u>
Shareholders' Equity			
Capital stock	(Note 4)	20,109,870	20,109,870
Contributed surplus	(Note 4)	1,043,127	1,020,098
Retained earnings deficit		(4,897,092)	(4,776,067)
Non-controlling interest		415,920	411,213
Total shareholders' equity		<u>16,671,825</u>	<u>16,765,114</u>
		\$ <u>19,595,515</u>	\$ <u>22,987,983</u>

See accompanying notes to the consolidated financial statements.

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

For the period ended March 31	Notes	3 Months		6 Months	
		2013	2012	2013	2012
Revenues					
Management fees, administration and redemption fees		\$ 3,291,322	\$ 3,863,838	\$ 6,571,396	\$ 7,705,431
Performance fees		4,758	961,298	222,860	981,226
Investment gain	(Note 6)	268,800	292,336	422,563	574,336
Interest and other income		37,492	71,181	81,128	129,988
		3,602,372	5,188,653	7,297,947	9,390,981
Expenses					
Selling, general and administration	(Note 8)	3,221,113	3,932,911	6,335,090	7,491,349
Stock-based compensation	(Note 4)	11,388	16,837	23,029	25,934
Investment advisor fees		40,070	70,050	75,087	149,108
Service fees paid to dealers		315,758	377,967	634,682	751,118
Investment advisor, service fees and expenses paid relating to performance fees revenue earned		338	240,325	72,899	241,656
Amortization of property and equipment		29,334	31,110	58,673	61,591
Amortization of intangible assets		315,821	301,662	628,928	601,547
Interest expense		5,609	7,053	11,880	13,781
		3,939,431	4,977,915	7,840,268	9,336,084
Non-controlling interest share of income	(Note 6)	-	72,298	1,413	234,209
Total expense		3,939,431	5,050,213	7,841,681	9,570,293
Income (loss) before income taxes		(337,059)	138,440	(543,734)	(179,312)
Income taxes (recovery)					
Current		(76,778)	282,344	68,955	367,882
Deferred		(1,282)	(40,150)	(495,900)	(41,258)
		(78,060)	242,194	(426,945)	326,624
Net loss and comprehensive loss		(258,999)	(103,754)	(116,789)	(505,936)
Net income (loss) attributed to:					
Common shareholders of the Corporation		(260,596)	(244,886)	(121,025)	(635,545)
Non-controlling interest		1,597	141,132	4,236	129,609
		(258,999)	(103,754)	(116,789)	(505,936)
Basic and diluted earnings per share		\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.02)

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statement of Changes in Shareholders' Equity – Unaudited

	Number of Shares Outstanding	Capital Stock \$	Contributed Surplus \$	Retained Earnings Deficit \$	Non- Controlling Interest \$	Total Equity \$
At September 30, 2012	28,310,150	20,109,870	1,020,098	(4,776,067)	411,213	16,765,114
Stock-based compensation	-	-	23,029	-	-	23,029
Net income (loss) and comprehensive income (loss)	-	-	-	(121,025)	4,236	(116,789)
Other	-	-	-	-	471	471
Balance, March 31, 2013	28,310,150	20,109,870	1,043,127	(4,897,092)	415,920	16,671,825
At September 30, 2011	28,310,150	20,109,870	952,349	(1,618,296)	540,190	19,984,113
Stock-based compensation	-	-	25,934	-	-	25,934
Net income (loss) and comprehensive income (loss)	-	-	-	(635,545)	129,609	(505,936)
Distributions paid to non-controlling interest	-	-	-	-	(76,217)	(76,217)
Balance, March 31, 2012	28,310,150	20,109,870	978,283	(2,253,841)	593,582	19,427,894

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Consolidated Statements of Cash Flows - Unaudited

For the period ended March 31	Notes	3 Months		6 Months	
		2013	2012	2013	2012
Operating activities					
Net loss		\$ (258,999)	\$ (103,754)	\$ (116,789)	\$ (505,936)
Add (subtract) non-cash items:					
Stock-based compensation	(Note 4)	11,388	16,837	23,029	25,934
Amortization of property and equipment		29,334	31,110	58,673	61,591
Amortization of intangible assets		315,821	301,662	628,928	601,547
Deferred income taxes recovery		(1,282)	(40,150)	(495,900)	(41,258)
Investment gain		(268,800)	(292,336)	(422,563)	(574,336)
Non-controlling interest share of income		-	72,298	1,413	234,209
Other		-	8,809	-	(833)
Cash used in operating activities before changes in operating assets and liabilities		(172,538)	(5,524)	(323,209)	(199,082)
Net change in non-cash balances relating to operations		(604,906)	(1,105,488)	(1,987,363)	(3,957,287)
Interest paid		(5,609)	(7,053)	(11,880)	(13,781)
Income taxes paid		(79,350)	-	(609,350)	(1,580,000)
Cash used in operating activities		(862,403)	(1,118,065)	(2,931,802)	(5,750,150)
Investing activities					
Proceeds from funds managed by the Corporation		950,000	1,000,000	950,000	1,000,000
Purchase of property and equipment		(12,042)	(28,516)	(25,173)	(45,508)
Cash included in assets of division sold		-	-	(150,140)	-
Deferred sales commissions paid		(54,863)	(88,125)	(81,493)	(99,576)
Cash provided by investing activities		883,095	883,359	693,194	854,916
Financing activities					
Distributions paid to non-controlling interest		-	-	-	(76,217)
Repayment of management loans		-	-	2,750	-
Cash provided by (used in) financing activities		-	-	2,750	(76,217)
Increase (decrease) in cash and cash equivalents		20,692	(234,706)	(2,235,858)	(4,971,451)
Cash and cash equivalents, beginning of period		4,987,938	3,421,292	7,244,488	8,158,037
Cash and cash equivalents, end of period		\$ 5,008,630	\$ 3,186,586	\$ 5,008,630	\$ 3,186,586

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.
Notes to the Consolidated Financial Statements - Unaudited
March 31, 2013

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. Its registered office is located at 70 University Avenue, Suite 1200, Toronto, Ontario. The Corporation's principal business is alternative asset management and it operates in one geographic segment (Canada).

The Corporation manages assets across a variety of alternative asset classes for institutional, retail 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

Statement of Compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and with International Financial Reporting Standards ("IFRS"). These interim financial statements should be read in conjunction with the Corporation's annual financial statements for the year ended September 30, 2012.

These interim financial statements were authorized for issuance by the Board of Directors of IAM on May 7, 2013.

Basis of presentation

The interim financial statements of IAM have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. The accounting policies and methods of computation used in the interim financial statements are the same as those used in the annual financial statements for the year ended September 30, 2012.

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and the following material 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%	
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 performance fees that may be realized by GPM from specific funds in the future, of which two funds remained as at March 31, 2013.

The interim financial statements include all the assets, liabilities and operations of certain funds managed by the Corporation for the period in which the Corporation controlled those funds. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are de-consolidated from the date that control ceases. Intercompany transactions, balances, income, expenses and profit and losses are eliminated. Non-controlling interest represent equity interests in subsidiaries and certain funds owned by outside parties; the share of net assets which is attributable to non-controlling interest is presented as a component of equity and/or liabilities depending on their characteristics. The non-controlling interest's share of net income and comprehensive income is recognized directly in equity, if characterized as equity, and included in the statement of income, if characterized as liabilities. Changes in IAM's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

The Corporation applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of (i) the assets transferred, (ii) the liabilities incurred to the former owners of the acquiree and (iii) the equity interest issued by the Corporation. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Corporation recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Post retirement obligations

In October 2012, the Corporation agreed to make post retirement payments to one executive, or his estate, to take effect on the earlier of September 30, 2017 or date of retirement.

The Corporation accounts for this liability by estimating the present value of the estimated payments to be made using a discount rate of 7%. The Corporation accrues amounts quarterly, calculated on a straight line basis, which will accumulate over a five year period, beginning in fiscal 2013, to provide for the liability for future payments (see note 7).

Significant accounting judgements and estimates

The process of applying the Corporation's accounting policies requires management to make significant judgements involving assumptions and estimates.

IAM's annual financial statements for the year ended September 30, 2012 describe the key assumptions and estimates which could have a material impact on the carrying amounts of the assets and liabilities of the Corporation.

The post retirement obligations, described above, require management to make estimates, including discount rates and net profits in future fiscal years, in order to estimate the future payments and the related annual accrual (see note 7).

3. INVESTMENTS IN FUNDS MANAGED BY THE CORPORATION

	March 31, 2013	September 30, 2012
Held for trading securities, positions held long	\$ 3,159,721	\$ 4,758,736
Unlisted securities, positions held long	700,540	700,069
	\$ 3,860,261	\$ 5,458,805
Less amount included in current assets	(3,159,721)	(4,687,394)
	\$ 700,540	\$ 771,411

As at September 30, 2012, the Corporation owned in excess of a 50% interest in one fund and, in accordance with IFRS, included all of the assets, liabilities and results of operations of that fund in the Corporation's consolidated financial statements for the period in which the Corporation owned more than a 50% interest in that fund. The fair value of the units of the funds that were not owned by the Corporation was \$1,070,164 as at September 30, 2012 and this amount is included as an asset under "Investment in Funds Managed by the Corporation" and also as an offsetting liability under "Non-controlling Interest". During the quarter ended December 31, 2012 the Corporation's ownership interest in the fund declined below 50% and, accordingly, no amount has been reflected as an asset and a liability on the Corporation's balance sheet as at March 31, 2013 for units of the fund that were not owned by the Corporation.

4. SHAREHOLDERS' EQUITY

a) Capital Stock

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

Issued:	Number of Common Shares	Stated Value
As at September 30, 2012; and March 31, 2013	28,310,150	\$ 20,109,870

b) Contributed surplus

As at September 30, 2012	\$ 1,020,098
Stock-based compensation	23,029
As at March 31, 2013	\$ 1,043,127

c) Stock option plan

The Corporation has an incentive stock option plan for the executives, key employees, directors and consultants to the Corporation. The Corporation does not issue equity or cash in return for the cancellation of options.

The changes in the stock options are as follows:

	Total number of Options	Weighted Average Exercise Price
As at September 30, 2012	2,245,000	\$0.95
Granted	-	-
Cancelled and expired	-	-
As at March 31, 2013	2,245,000	\$0.95

Incentive stock options vest one-third on each of the second, third and fourth anniversary of the date of grant. The expenses relating to the cancelled options are not reversed due to an estimated forfeiture rate being included in the option grant's fair value calculation.

The following table summarizes information about the Corporation's stock option plan at March 31, 2013:

Number of Options Outstanding	Number of Options Vested and Exercisable	Exercise Price	Expiry Date
40,000	-	\$0.55	2019
140,000	-	\$0.90	2018
1,375,000	458,333	\$0.70	2017
40,000	40,000	\$1.45	2014
650,000	650,000	\$1.50	2013
2,245,000	1,148,333		

d) Basic and diluted earnings per share

The following table presents the calculation of basic and diluted earnings per common share.

For the period ended March 31	3 Months		6 Months	
	2013	2012	2013	2012
Numerator				
Net loss attributed to common shareholders of the Corporation – basic and diluted	\$ (260,596)	\$ (244,886)	\$ (121,025)	\$ (635,545)
Denominator				
Weighted average number of common shares, basic and diluted	28,310,510	28,310,510	28,310,510	28,310,510
Earnings per common share, basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.02)

e) Maximum share dilution

The following table presents the maximum number of common shares that would be outstanding if all options were exercised:

Shares outstanding at May 7, 2013	28,310,510
Options to purchase shares	<u>2,245,000</u>
	<u>30,555,510</u>

5. DIVIDENDS

No dividends were declared or paid during the six months ended March 31, 2013 and March 31, 2012.

6. INVESTMENT GAIN

For the period ended March 31	3 Months		6 Months	
	2013	2012	2013	2012
Held for trading securities and available for sale securities	\$ 268,800	\$ 292,336	\$ 422,563	\$ 574,336

The Corporation invests in funds managed by the Corporation and recognizes the change in fair value of held for trading securities and available for sale securities on the consolidated statements of income (loss) and comprehensive income (loss).

Included in these amounts is an investment gain of nil for the three months ended March 31, 2013 (2012 – gain of \$72,298) and an investment gain of \$1,413 for the six months ended March 31, 2013 (2012 – gain of \$234,209) in respect of a fund consolidated in these financial statements that is attributed to the non-controlling interest.

7. POST RETIREMENT OBLIGATIONS

In October 2012, the Corporation agreed to make post retirement payments to one executive, or his estate, to take effect on the earlier of September 30, 2017 or date of retirement. These retirement payments will be applicable for a period of up to 5 years (after the date of cessation of employment) and each annual payment will be a defined percentage of up to 5% of the Corporation's net after-tax profits in each of those years, subject to a maximum of \$500,000 annually.

Depending on the Corporation's net after-tax profits in the applicable fiscal years (fiscal years 2018 to 2022 or earlier if cessation of employment is earlier than September 30, 2017), the Corporation would be obligated to make payments in aggregate ranging from nil to a maximum of \$2,500,000.

The Corporation accounts for this liability by estimating the present value of the estimated payments to be made using a discount rate of 7%. The Corporation accrues amounts quarterly, calculated on a straight line basis, which will accumulate over a five year period, beginning in fiscal 2013, to provide for the estimated liability for future payments.

The Corporation expects that an amount of \$312,000 will be expensed in fiscal 2013 and \$156,000 has been accrued in the six months ended March 31, 2013.

8. SELLING, GENERAL AND ADMINISTRATION EXPENSES

The following table presents the breakdown of selling, general and administration expenses by nature:

For the period ended March 31	3 Months		6 Months	
	2013	2012	2013	2012
Salaries and benefits	\$ 2,341,901	\$ 2,575,165	\$ 4,616,647	\$ 5,109,184
Advertising and marketing	17,452	67,227	103,754	113,870
Sales expenses	83,632	121,034	135,606	248,790
Travel and entertainment	44,703	106,543	111,111	207,710
Consulting fees	122,332	263,647	173,863	349,690
Occupancy	180,046	186,443	363,243	372,518
Office expenses	153,147	255,091	339,181	469,987
Professional fees	81,145	103,802	194,636	263,611
Fees and licences	28,137	42,006	57,993	66,162
Other	168,618	211,953	239,056	289,827
	\$ 3,221,113	\$ 3,932,911	\$ 6,335,090	\$ 7,491,349

9. 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 six months ended March 31, 2013 is as follows:

	September 30, 2012	Recognized in income	March 31, 2013
Deferred income tax liabilities			
Fund management contracts	\$ 1,036,275	\$ (160,249)	\$ 876,026
Other	26,730	30,328	57,058
Total deferred income tax liabilities	\$ 1,063,005	\$ (129,921)	\$ 933,084
Deferred income tax assets			
Unused non-capital tax losses	113,253	361,979	475,232
Unused capital tax losses	90,862	-	90,862
Tax impact on present value adjustments	14,600	(14,600)	-
Other	38,793	18,600	57,393
Total deferred income tax assets	\$ 257,508	\$ 365,979	\$ 623,487
Net deferred income tax liabilities	\$ 805,497	\$ (495,900)	\$ 309,597

In the quarter ended December 31, 2012, the Corporation recognized a deferred income tax asset of approximately \$420,000 in respect of certain unused income tax losses not previously recognized for accounting purposes in the Corporation's financial statements. Some of this amount has been used to offset taxable income in the quarter ended March 31, 2013.

10. COMPARATIVE FIGURES

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

11. 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, 2013

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

David Atkins ^{(1) (2)}
Corporate Director

Joseph Benarrosh
*Directeur, Quebec
Integrated Asset Management Corp.*

John Crocker ^{(1) (2)}
Corporate Director

Bruce Day ^{(1) (2)}
Corporate Director

Veronika Hirsch
Chief Investment Officer, BluMont Capital Corporation

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

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, 2013

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

Tom Felkai
Vice President Finance

Paul Patterson
Vice President Private Investment

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

Greg Dimmer
Managing Director

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 Corporation

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

Lisa Christie
Vice President Fund Operations

Integrated Asset Management Corp.**Corporate Information**March 31, 2013

Auditors:

PricewaterhouseCoopers LLP

Transfer Agent:

Equity Financial Trust Company

Stock Listing:

TSX – “IAM”

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