Integrated Asset Management Corp.

Leadership in

Alternative Asset Management

FIRST QUARTER REPORT – DECEMBER 31, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS,
AND FINANCIAL STATEMENTS

REPORT TO SHAREHOLDERS

Integrated Asset Management Corp. ("IAM" or the "Corporation") presents to shareholders the financial results of the Corporation for the first quarter of fiscal 2019.

John Robertson, President and CEO, said "We are very pleased with the financial progress we have made, which validates our institutionally focused business plan. Our results in Q1 2019 versus Q1 2018 clearly demonstrate improved results in both Real Estate and Private Debt."

The Corporation reported net income for the quarter ended December 31, 2018 of $0.8 million ($0.03 per share) versus net income in the quarter ended December 31, 2017 of $0.5 million ($0.02 per share). Management fees and other income were higher, at $4.6 million versus $3.5 million in same quarter in fiscal 2018. The increase in management fees and other income compared to fiscal 2018 is the result of deployment of commitments at higher rates and interest income from investments in funds managed by the Corporation.

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") improved to $1.3 million from $0.7 million in the same quarter of the previous fiscal year. Cash flow from operations was $0.9 million this year compared to $0.5 million in the previous year. The Corporation reported consolidated expenses for the quarter of $3.4 million, up $0.6 million from $2.8 million in the first quarter of fiscal 2018. Expenses were higher relative to the comparative quarter in the previous year primarily due to an increase in the employee bonus accrual as a result of increased profits and higher consulting fees.

Assets and committed capital under management ("AUM") for the quarter ended December 31, 2018 declined marginally by $51 million to $2.3 billion compared to $2.3 billion at September 30, 2018. Of the AUM at December 31, 2018, approximately $256 million was committed but not yet invested capital from real estate, private debt and infrastructure debt operations.

John Robertson, President and CEO, said "Comparing the first quarter of 2019 to the first quarter of 2018, revenue was 34% higher, Adjusted EBITDA increased 82%, and net income rose 79%. These results dramatically illustrate the operating leverage of growing committed and invested capital with a modest increase in operating expenses.

Our intention to distribute earnings because of the strong corporate financial position has led to significant increases in dividends over the last two years. In fiscal 2016 our dividend was $0.06 per share and for Q1 this year our quarterly dividend is $0.03 per share ($0.12 per share annually).

On January 15, 2019, the Corporation announced the closing of IAM Private Debt Fund VI at $843 million. This was our largest fund raise yet, 25% bigger than our previous largest fund raise, IAM Private Debt Fund V. We now have approximately $1 billion in committed but uninvested capital and total AUM of approximately $3.1 billion. We are paid on invested capital, not committed capital, so this bodes well for increasing revenue, earnings and cash flow over the next two years as this fund gets invested. Congratulations to the Private Debt Group on this historic capital raise."

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") dated February 1, 2019 presents an analysis of the financial condition of Integrated Asset Management Corp. ("IAM" or the "Corporation") and its subsidiaries as at December 31, 2018 compared with September 30, 2018 and the results of operations for the quarter ended December 31, 2018 compared with the quarter ended December 31, 2017. It should be read in conjunction with the Corporation's unaudited interim financial statements for the three months ended December 31, 2018 and the audited financial statements for the year ended September 30, 2018 including the MD&A for that year.

This MD&A contains forward-looking statements on the Corporation's business, strategies, opportunities and future financial results. These statements are not promises or guarantees and are based on assumptions and estimates which are subject to many different risks and uncertainties, any of which could cause actual results to be significantly different from those derived from the forward-looking statements. The reader should not place undue reliance on any such forward-looking statements, which are presented as of February 1, 2019, except when otherwise stated. For more information on the risk factors which may impact actual results, please refer to the "Risk Factors" section of the Corporation's Annual Information Form, dated December 11, 2018.

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are denominated in Canadian dollars, the functional currency of the Corporation.

This MD&A includes non-IFRS financial measures that the Corporation considers shareholders, investment analysts, and other readers find helpful in understanding IAM's financial performance. Management uses these measures in analyzing and comparing IAM's financial performance from one period to another. Nevertheless, these financial measures do not have any standardized meaning prescribed by IFRS and may not have been calculated in the same way as similarly named financial measures presented by other companies.

This MD&A and additional information relating to IAM, including the Annual Information Form, are on SEDAR at www.sedar.com.

BUSINESS REVIEW

IAM is an alternative asset management company offering alternative asset class management to institutional, pension and private clients. The Corporation provides investors with a range of asset classes such as real estate, private debt and infrastructure debt. The Corporation had assets and committed capital under management ("AUM") of approximately $2.3 billion at December 31, 2018.

The Corporation's private debt and real estate products comprises mostly of pools of assets managed by the Corporation for investors and the life of each pool of assets can be up to thirteen years. However, the Infrastructure Private Debt Fund can be up to twenty-five year life once fully invested and the most recent real estate fund has an indefinite life and provides for periodic new subscriptions and redemptions. Typically, the Corporation markets for commitments from investors interested in the asset class. The pool is then closed and the pool makes acquisitions of assets to deploy the commitments over a number of years. For these types of pools, the Corporation receives fees only when the commitments are deployed and assets are being managed. Generally, there is little or no liquidity for the investors during the term of a pool and the pool can be liquidated earlier than scheduled only in exceptional circumstances.

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT ("AUM").

($ millions)	December 31, 2018	September 30, 2018	December 31, 2017
Invested Capital	$ 2,000	$ 1,934	$ 1,818
Committed Capital to be Invested	256	373	572
Total AUM	**$ 2,256**	**$ 2,307**	**$ 2,390**

The invested capital increased $66 million during the three months ended December 31, 2018 from the deployment of committed capital of approximately $137 million in both IAM Private Debt and IAM Real Estate. The total AUM decreased $51 million during the quarter ended December 31, 2018 primarily due to the distribution to investors of routine principal repayments received on loans in IAM Private Debt funds, two early loan prepayments and three loan maturities. AUM increased in our IAM Real Estate funds predominantly as the result of increased market appraisals.

RESULTS OF OPERATIONS

Adjusted EBITDA, as defined on page 4, from continuing operations was $1.3 million in the quarter ended December 31, 2018 compared with $0.7 million for the three-month period ended December 31, 2017.

Selected Financial Information (in $000's, except per share amounts)	**3 Month Period Ended December 31, 2018**	2017
Revenues before the undernoted	**$ 4,348**	$ 3,272
Investment gain, interest income and other income	**301**	190
Total revenues	**$ 4,649**	$ 3,462
Reconciliation of Net Income and Comprehensive Income to Adjusted EBITDA		
Net income and comprehensive income	**$ 831**	$ 460
Add back:		
Amortization	**8**	10
Interest	**-**	-
Stock-based compensation	**24**	23
Income taxes	**388**	192
Adjusted Earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")[1]	**$ 1,251**	$ 685
Net income (loss) attributed to:		
Common shareholders of the Corporation	**$ 848**	$ 474
Non-controlling interest	**(17)**	(14)
	$ 831	$ 460
Basic and diluted earnings per share	**$ 0.03**	$ 0.02

[1] Adjusted EBITDA is a non-IFRS financial measure used by the Corporation. This measure is calculated as earnings before the deduction of interest expense, income taxes, depreciation and amortization, and stock-based compensation.

REVENUES

Management fees and other income were $4.6 million in the latest quarter, up $1.1 million from $3.5 million in the comparable quarter of fiscal 2018. IAM Private Debt and IAM Real Estate invested $136.9 million during the quarter earning $1.6 million in acquisition and commitment fees, thus increasing recurring, long-term management fee revenue. In the comparable quarter of fiscal 2018, the Corporation earned $0.7 million in acquisition and commitment fees. Other income was higher in the current quarter due to interest from investments in funds managed by the Corporation.

EXPENSES

The Corporation reported consolidated expenses for the quarter of $3.4 million, up $0.6 million from $2.8 million in the first quarter of fiscal 2018. Expenses were higher relative to the comparative quarter in the previous year primarily due to an increase in the employee bonus accrual as a result of increased profits and higher consulting fees.

CONSOLIDATED FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2018, the Corporation's net liquid assets of $15.7 million were down $0.6 million from $16.3 million at September 30, 2018, primarily as a result of the $0.03 dividend paid per share in December.

Cash flow from operations[(1)] was $0.03 per share for the three months ended December 31, 2018 and $0.02 per share in the comparable three months of fiscal 2018.

(in $000's, except per share amounts)	3 Month Period Ended December 31, 2018	2017
Cash flow from operations[(1)]	**$ 885**	$ 533
Cash flow from operations per share[(2)]	**$ 0.03**	$ 0.02

[(1)] These amounts are shown on the consolidated statements of cash flows in the consolidated financial statements, under "cash provided by operating activities before changes in operating assets and liabilities" and are in respect of continuing operations.
[(2)] Calculated by dividing cash flow from operations by the weighted average number of shares outstanding in the quarter.

On May 11, 2018, the Corporation announced its notice of the renewal of its Normal Course Issuer Bid ("NCIB") in which the Corporation is permitted to purchase, for cancellation, up to 1,385,656 common shares of the Corporation at prevailing market prices during the 12 month period commencing May 24, 2018 and ending May 23, 2019.

From October 1, 2018 to December 31, 2018 the Corporation acquired no common shares under the NCIB for aggregate cash consideration of $nil (October 1, 2017 to December 31, 2017 – acquired 403,100 common shares, cash consideration of $555,157). Of the $555,157 cash consideration paid October 1, 2017 to December 31, 2017; $293,043 was allocated to capital stock and the remainder $262,114 was charged to retained earnings.

A copy of IAM's notice of the NCIB which was filed with the Toronto Stock Exchange may be obtained by any shareholder without charge by contacting IAM.

On February 1, 2019, the Corporation's Board of Directors approved payment of a cash dividend in the amount of $0.03 per outstanding share, totaling approximately $0.8 million based on the number of shares outstanding at that date. This dividend will be paid on March 8, 2019 to shareholders of record on February 21, 2019. This dividend represents the second quarterly dividend declared in fiscal 2019 with the previous dividend being as follows;

Quarter	Dividend per share $	Approximate Dividend Payment $	Declaration Date	Payment Date
Q1	$0.03	$0.8 million	November 29, 2018	December 21, 2018

OUTSTANDING SHARE DATA (as at February 1, 2019)

Common shares	
Issued and outstanding	27,724,127
Stock options	1,809,000 [1]

[1] Stock options to acquire 1,809,000 common shares are at prices ranging from $0.55 to $1.97 per common share.

RISK FACTORS

Over the past quarter, the financial outlook and the risks and uncertainties faced by the Corporation are similar to those described in the 2018 Annual Report.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet financial arrangements and no material contractual obligations other than those described in the 2018 Annual Report.

RELATED PARTY TRANSACTIONS

There were no changes in the nature of related party transactions entered into by the Corporation in the three months ended December 31, 2018.

SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared in accordance with IFRS using the same accounting policies as those used in the Corporation's annual audited financial statements for the year ended September 30, 2018. There were changes to the Corporation's accounting policies from those reported in the audited annual financial statements for the year ended September 30, 2018; they are described in note 2 of the Corporation's December 31, 2018 financial statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The process of applying the Corporation's accounting policies requires management to make significant judgements involving assumptions and estimates. These are referred to in note 2 of the audited financial statements for the year ended September 30, 2018.

CONTROLS AND PROCEDURES

Management, under the direction of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), has evaluated the effectiveness of the disclosure controls and procedures (as defined in applicable Canadian securities laws) of the Corporation as of the end of the period covered by this MD&A. As a result, the CEO and CFO have concluded that they are reasonably assured the Corporation's disclosure controls and procedures are effective to ensure that all information required to be disclosed by the Corporation in reports that it files or furnishes under applicable Canadian securities laws is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Canadian securities regulatory authorities and (ii) accumulated and communicated to the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was no change in the Corporation's internal controls over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

SELECTED QUARTERLY INFORMATION

($000's, except per share amounts)	**December 31, 2018**	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
Revenues before performance fees	**$ 4,649**	**$ 5,022**	**$ 3,487**	**$ 4,085**
Performance fees	**-**	**-**	**674**	**1,199**
Total revenues (continuing operations)	**$ 4,649**	**$ 5,022**	**$ 4,161**	**$ 5,284**
Net performance fees (continuing operations)	**$ -**	**$ -**	**$ 496**	**$ 899**
Adjusted EBITDA (continuing operations)	**$ 1,251**	**$ 1,633**	**$ 1,286**	**$ 1,471**
Net income from continuing operations [(1)]	**$ 848**	**$ 1,190**	**$ 817**	**$ 883**
Net income from discontinued operations	**$ -**	**$ -**	**$ -**	**$ -**
Net income and comprehensive income [(1)]	**$ 848**	**$ 1,190**	**$ 817**	**$ 883**
Earnings per share				
Basic and diluted (continuing operations)	**$ 0.03**	**$ 0.04**	**$ 0.03**	**$ 0.03**
Basic and diluted (discontinued operations)	**$ -**	**$ -**	**$ -**	**$ -**
AUM ($ millions)	**$ 2,256**	**$ 2,307**	**$ 2,301**	**$ 2,313**

($000's, except per share amounts)	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Revenues before performance fees	$ 3,462	$ 3,242	$ 4,128	$ 3,997
Performance fees	-	-	-	-
Total revenues (continuing operations)	$ 3,462	$ 3,242	$ 4,128	$ 3,997
Net performance fees (continuing operations)	$ -	$ -	$ -	$ -
Adjusted EBITDA (continuing operations)	$ 685	$ 66	$ 799	$ 882
Net income from continuing operations [(1)]	$ 474	$ 133	$ 555	$ 508
Net income from discontinued operations	$ -	$ -	$ -	$ 638
Net income and comprehensive income [(1)]	$ 474	$ 133	$ 555	$ 1,146
Earnings per share				
Basic and diluted (continuing operations)	$ 0.02	$ 0.00	$ 0.02	$ 0.02
Basic and diluted (discontinued operations)	$ -	$ -	$ -	$ 0.02
AUM ($ millions)	$ 2,390	$ 2,474	$ 2,505	$ 2,514

[(1)] Attributed to the common shareholders of the Corporation.

Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited

	Notes		December 31, 2018		September 30, 2018
Assets					
Current					
Cash and cash equivalents		$	**17,191,136**	$	17,692,471
Receivables			**1,557,816**		3,707,360
Prepaids			**162,834**		321,167
Loan receivable and other assets			**-**		2,027
Total current assets			**18,911,786**		21,723,025
Property and equipment			**90,516**		92,480
Goodwill and intangible assets			**1,617,568**		1,620,738
Investments in funds managed by the Corporation	(Note 3)		**2,166,187**		1,603,095
Loan receivable and other assets			**10,038**		42,869
Deferred income taxes	(Note 9)		**258,894**		312,057
		$	**23,054,989**	$	25,394,264
Liabilities					
Current					
Payables, accruals and current portion of long-term incentive bonus obligation		$	**2,837,237**	$	5,054,043
Deposits			**61,902**		131,780
Income taxes payable			**309,300**		218,814
Total current liabilities			**3,208,439**		5,404,637
Long-term incentive bonus obligation			**782,985**		959,539
Deferred income taxes	(Note 9)		**3,724**		3,724
Total liabilities			**3,995,148**		6,367,900
Shareholders' Equity	(Note 4)				
Capital stock			**19,997,068**		19,729,857
Contributed surplus			**1,439,385**		1,415,805
Deficit			**(2,361,973)**		(2,378,335)
Non-controlling interest			**(14,639)**		259,037
Total shareholders' equity			**19,059,841**		19,026,364
		$	**23,054,989**	$	25,394,264

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

		3 Months	
For the period ended December 31	Notes	**2018**	2017
Revenues			
Management, commitment and acquisition fees		**$ 4,347,713**	$ 3,272,133
Investment gain	(Note 7)	**30,950**	1,161
Interest and other income		**269,879**	188,721
		4,648,542	3,462,015
Expenses			
Selling, general and administration	(Note 8)	**3,397,945**	2,777,128
Stock-based compensation		**23,580**	23,303
Amortization of property and equipment		**5,120**	4,673
Amortization of intangible assets		**3,170**	4,529
Total expenses		**3,429,815**	2,809,633
Income before income taxes		**1,218,727**	652,382
Income taxes			
Current		**334,515**	150,233
Deferred		**53,163**	42,226
		387,678	192,459
Net income and comprehensive income		**$ 831,049**	$ 459,923
Net income (loss) attributed to:			
Common shareholders of the Corporation		**$ 848,086**	$ 473,872
Non-controlling interest		**(17,037)**	(13,949)
		$ 831,049	$ 459,923
Earnings per share attributed to the common shareholders of the Corporation			
Basic and diluted earnings per share	(Note 4)	**$ 0.03**	$ 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 $	Deficit $	Non-Controlling Interest $	**Total Equity** $
At October 1, 2018	**27,724,127**	**19,729,857**	**1,415,805**	**(2,378,335)**	**259,037**	**19,026,364**
Stock-based compensation	-	-	23,580	-	-	**23,580**
Net income and comprehensive income	-	-	-	848,086	(17,037)	**831,049**
Regular dividend declared (Note 6)	-	-	-	(831,724)	-	**(831,724)**
Distributions paid to non-controlling interest	-	-	-	-	(256,639)	**(256,639)**
Repayments of key employee share loan plan(1) (Note 4)	-	267,211	-	-	-	**267,211**
Balance, December 31, 2018	**27,724,127**	**19,997,068**	**1,439,385**	**(2,361,973)**	**(14,639)**	**19,059,841**
At October 1, 2017	**28,162,627**	**19,805,724**	**1,332,573**	**(2,878,686)**	**42**	**18,259,653**
Stock-based compensation	-	-	23,303	-	-	**23,303**
Net income and comprehensive income	-	-	-	473,872	(13,949)	**459,923**
Regular dividend declared (Note 6)	-	-	-	(563,253)	-	**(563,253)**
Common shares repurchased for cancellation	(403,100)	(293,043)	-	(262,114)	-	**(555,157)**
Repayments of key employee share loan plan(1) (Note 4)	-	131,568	-	-	-	**131,568**
Balance, December 31, 2017	**27,759,527**	**19,644,249**	**1,355,876**	**(3,230,181)**	**(13,907)**	**17,756,037**

(1) Due to the non-recourse nature of the loans they are treated for accounting purposes as stock based compensation which is included in contributed surplus. The value included in capital stock is the portion of loans that have been repaid in the three months ended December 31, 2018 $267,211 (December 31, 2017 - $131,568), the shares issued remain pledged until the full loan has been repaid by the employee.

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

For the period ended December 31	Notes	2018	2017
Operating activities			
Net income		**$ 831,049**	$ 459,923
Add (subtract) non-cash items:			
Stock-based compensation		**23,580**	23,303
Amortization of property and equipment		**5,120**	4,673
Amortization of intangible assets		**3,170**	4,529
Deferred income taxes		**53,163**	42,226
Investment gain	(Note 7)	**(30,950)**	(1,161)
Cash provided by operating activities before changes in operating assets and liabilities		**885,132**	533,493
Net change in non-cash balances relating to operations	(Note 5)	**(32,044)**	(2,641,402)
Cash provided by (used in) operating activities		**853,088**	(2,107,909)
Investing activities			
Investments in funds managed by the Corporation		**(570,592)**	(166,749)
Principal repayment of investments in funds managed by the Corporation		**38,450**	21,967
Purchase of property, equipment and intangible assets		**(3,156)**	(1,398)
Repayment of loan receivable		**2,027**	605,051
Cash provided by (used in) investing activities		**(533,271)**	458,871
Financing activities			
Dividends paid to shareholders		**(831,724)**	(563,253)
Distributions to non-controlling interest		**(256,639)**	-
Common shares repurchased for cancellation		**-**	(555,157)
Repayments of key employee share loan plan		**267,211**	131,568
Cash used in financing activities		**(821,152)**	(986,842)
Decrease in cash and cash equivalents		**(501,335)**	(2,635,880)
Cash and cash equivalents, beginning of period		**17,692,471**	16,480,012
Cash and cash equivalents, end of period		**$ 17,191,136**	$ 13,844,132
Supplemental Information			
Interest received		**$ 241,230**	$ 181,926
Income taxes paid		**$ (244,029)**	$ (529,391)

See accompanying notes to the consolidated financial statements.

1. ORGANIZATION AND NATURE OF BUSINESS

Integrated Asset Management Corp. (the "Corporation" or "IAM") is incorporated under the laws of Ontario and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol IAM. Its registered office is 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, pension and private clients. Substantially 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, 2018.

These interim financial statements were authorized for issuance by the Board of Directors of IAM on February 1, 2019.

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, 2018, except for those listed under Changes in Accounting Policies.

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%	(a)
IAM Private Debt Group Corp. ("Private Debt Group")	100%	(b)

(a) In October 2008, the Corporation acquired the remaining 25.025% of GPM that it did not already own. The vendor retained a 25.025% pro-rata economic interest in performance fees in one remaining fund which was realized by GPM in fiscal 2018.

(b) On January 1, 2018, the Corporation amalgamated the wholly owned subsidiary IAM Private Debt Group Corp. with Integrated Asset Management Corp.

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 represents equity interest in a subsidiary; the share of net assets which are attributable to non-controlling interest which is presented as a component of equity. Its share of net income (loss) and comprehensive income (loss) is recognized directly in equity, if characterized as non-controlling interest. 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.

When a change in the Corporation's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary are derecognized at the date control ceases. The operating performance of the subsidiary for the period up to when control ceased is reclassified to discontinued operations on the consolidated statements of income (loss) and comprehensive income (loss).

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, 2018 describe the key assumptions and estimates which could have a material impact on the carrying amounts of the assets and liabilities of the Corporation.

Changes in Accounting Policies

The Corporation adopted IFRS 9 *Financial Instruments* ("IFRS 9") replacing IAS 39 *Financial Instruments* ("IAS 39") in its consolidated financial statements, effective October 1, 2018. IFRS 9 provides a new approach for the classification of financial assets, which is based on the cash flow characteristics of the asset and the business model of the portfolio in which the asset is held. The impairment model is an expected credit loss model which will apply to all financial instruments and may require more timely recognition of expected losses.

Under IFRS 9, financial assets are classified as either fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or amortized cost and financial liabilities are categorized as either FVPL or amortized cost. For financial liabilities designated as FVPL, IFRS 9 requires the presentation of the effects of changes in the liability's credit risk in other comprehensive income instead of net income.

The following shows the types of financial instruments held by the Corporation within each classification under IAS 39, the previous standard, and IFRS 9, the adopted standard effective October 1, 2018.

Financial Instrument Type	Classification	
	IAS 39	IFRS 9
Cash and cash equivalents	Loans and receivable	Amortized Cost
Receivables	Loans and receivable	Amortized Cost
Loan receivable and other assets	Loans and receivable	Amortized Cost
Investments in funds managed by the Corporation	FVPL	FVPL
Payables, accruals and current portion of long-term incentive bonus obligation	Other financial liabilities	Amortized Cost
Long-term incentive bonus obligation	Other financial liabilities	Amortized Cost

The following describes how each financial instrument classification is recognized in the consolidated financial statements of the Corporation:

- Financial instruments classified as FVPL are initially recognized at their fair value and are subsequently measured at fair value at each reporting date; gains and losses are recognized in the profit or loss.

- Financial instruments classified as FVOCI are initially recognized at their fair value plus transactions costs and are subsequently measured at fair value at each reporting date.

- Financial instruments classified as amortized cost are initially recognized at their fair value and are subsequently measured using the effective interest method.

Effective October 1, 2018, the Corporation adopted IFRS 15 *Revenue Recognition* ("IFRS 15"). The objective of IFRS 15 is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The new guidance includes a five-step recognition and measurement approach, requirements for accounting of contract costs, and enhanced quantitative and qualitative disclosure requirements. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Corporation has assessed and determined that there are no significant impacts resulting from the adoption of IFRS 15.

3. INVESTMENTS IN FUNDS MANAGED BY THE CORPORATION

	December 31, 2018	September 30, 2018
Unlisted investments in funds managed by the Corporation	**$ 2,166,187**	$ 1,603,095

The Corporation's maximum exposure to loss from its investments in funds managed by the Corporation is equal to the total fair value of its investments. The unlisted investments in funds managed by the Corporation are the Corporation's investments in the Integrated Private Debt Fund V LP ("IPD Fund V") and IAM Infrastructure Private Debt Fund LP ("IAM Infrastructure Fund") which are managed by the Private Debt Group. The Corporation has no current intentions to provide financial or other support to the IPD Fund V or IAM Infrastructure Fund, including intentions to assist the fund in obtaining financial support. IPD Fund V and IAM Infrastructure Fund are pooled funds that repay principal over the life of the fund.

The details of the unlisted investments in funds managed by the Corporation is as follows:

	December 31, 2018	September 30, 2018
IPD Fund V		
Corporation's capital called	**$ 1,797,901**	$ 1,583,208
Corporation's percentage of ownership	**0.3%**	0.3%
Total committed capital of the fund	**$ 667,000,000**	$ 667,000,000
Life of the fund	**13 years**	13 years
IAM Infrastructure Fund		
Corporation's capital called	**$ 852,651**	$ 754,669
Corporation's percentage of ownership	**0.6%**	0.6%
Total committed capital of the fund	**$ 347,000,000**	$ 347,000,000
Life of the fund	**25 years**	25 years

4. SHAREHOLDERS' EQUITY

a) Capital Stock

At December 31, 2018 the Corporation had 27,724,127 shares outstanding (September 30, 2018 – 27,724,127).

On May 11, 2018, the Corporation announced its notice of the renewal of its Normal Course Issuer Bid ("NCIB") in which the Corporation is permitted to purchase, for cancellation, up to 1,385,656 common shares of the Corporation at prevailing market prices during the 12 month period commencing May 24, 2018 and ending May 23, 2019.

From October 1, 2018 to December 31, 2018 the Corporation acquired no common shares under the NCIB for aggregate cash consideration of $nil (October 1, 2017 to December 31, 2017 – acquired 403,100 common shares, cash consideration of $555,157). Of the $555,157 cash consideration paid October 1, 2017 to December 31, 2017; $293,043 was allocated to capital stock and the remainder $262,114 was charged to retained earnings.

b) Key Employee Share Loan Plan

The Corporation has a Loan Plan which was approved at the Corporation's special meeting of the shareholders in July 2016. Under the Loan Plan, eligible employees may be permitted by the Corporation to purchase common shares from treasury of the Corporation with a loan from the Corporation. The employees' shares are pledged as collateral for the loan, which has an annual interest rate of 2.25% and a term of 5 years. The shares issued remain pledged and are restricted from trading until the full loan has been repaid by the employee. The maximum number of common shares that may be issued under the Loan Plan is 1,250,000 common shares. During the 3 months ended December 31, 2018 the Corporation issued no common shares (September 30, 2018 – nil) from treasury for loans receivable from employees of $nil (September 30, 2018 – $nil). Due to the non-recourse nature of the employees' loans, the Corporation accounts for the Loan Plan as stock-based compensation.

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, 2018	1,809,000	$1.23
Issued	-	-
Exercised	-	-
Cancelled	-	-
As at December 31, 2018	1,809,000	$1.23

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 December 31, 2018:

Number of Options Outstanding	Number of Options Vested and Exercisable	Exercise Price	Expiry Date
50,000	-	$1.97	2025
179,000	-	$1.95	2025
240,000	-	$1.56	2024
300,000	-	$1.48	2024
50,000	16,667	$1.07	2023
160,000	106,667	$1.07	2022
150,000	100,000	$1.00	2022
500,000	333,333	$0.86	2022
140,000	140,000	$0.90	2021
40,000	40,000	$0.55	2019
1,809,000	736,667		

d) Basic and diluted earnings per share

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

	3 Months	
For the period ended December 31	**2018**	2017
Numerator		
Net income attributed to common shareholders of the Corporation – basic and diluted	**$ 848,086**	$ 473,872
Denominator		
Weighted average number of common shares – basic	**27,724,127**	28,098,615
Dilutive effect of employee stock options	**657,552**	415,903
Weighted average number of share - diluted	**28,381,679**	28,514,518
Earnings per common share, basic and diluted	**$ 0.03**	$ 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 February 1, 2019	27,724,127
Options outstanding to purchase shares, at February 1, 2019	1,809,000
	29,533,127

5. WORKING CAPITAL

The following table presents the breakdown of the net change in non-cash balances relating to operations:

	3 Months	
For the period ended December 31	**2018**	2017
Receivables	**$ 2,149,544**	$ (731,076)
Income taxes recoverable	**-**	(24,791)
Prepaids	**158,333**	36,434
Loan receivable and other assets	**32,831**	2,169
Payables, accruals and current portion of long-term incentive bonus obligation	**(2,216,806)**	(1,382,222)
Deposits	**(69,878)**	35,000
Tenant inducements	**-**	(22,987)
Income taxes payable	**90,486**	(354,367)
Long-term incentive bonus obligation	**(176,554)**	(199,562)
	$ (32,044)	$ (2,641,402)

6. DIVIDENDS

The following dividend was declared by the Corporation during the three months ended December 31, 2018:

Record Date	Payment Date	Cash Dividend Per Share	Total Dividend Amount
December 11, 2018	December 21, 2018	$0.03	$ 831,724

The following dividend was declared by the Corporation during the three months ended December 31, 2017:

Record Date	Payment Date	Cash Dividend Per Share	Total Dividend Amount
November 30, 2017	December 20, 2017	$0.02	$ 563,253

7. INVESTMENT GAIN

	3 Months	
For the period ended December 31	**2018**	2017
Unlisted investments in funds managed by the Corporation at fair value through profit or loss	**$ 30,950**	$ 1,161

8. SELLING, GENERAL AND ADMINISTRATION EXPENSES

The following table presents the breakdown of selling, general and administrative expenses by nature;

	3 Months	
For the period ended December 31	**2018**	2017
Salaries and benefits	**$ 2,548,451**	$ 2,123,634
Advertising and marketing	**86,801**	44,615
Travel and entertainment	**83,059**	69,034
Consulting fees	**237,590**	5,056
Occupancy	**185,116**	166,475
Professional fees	**80,921**	202,120
Fees and licences	**10,333**	18,011
Office expenses and other	**165,674**	148,183
	$ 3,397,945	$ 2,777,128

9. INCOME TAXES FROM CONTINUING OPERATIONS

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 three months ended December 31, 2018 is as follows:

	September 30, 2018	Recognized in income	December 31, 2018
Deferred income tax assets			
Other	9,781	(5,165)	4,616
Long-term incentive bonus obligation	302,276	(47,998)	254,278
Total deferred income tax assets	**$ 312,057**	**$ (53,163)**	**$ 258,894**
Deferred income tax liabilities			
Other	3,724	-	3,724
Total deferred income tax liabilities	**$ 3,724**	**$ -**	**$ 3,724**
Net deferred income tax assets	**$ 308,333**	**$ (53,163)**	**$ 255,170**

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.

12. SUBSEQUENT EVENTS

On February 1, 2019, the Corporation's Board of Directors approved payment of a cash dividend in the amount of $0.03 per outstanding share, totaling approximately $0.8 million based on the number of shares outstanding at that date. This dividend will be paid on March 8, 2019 to shareholders of record on February 21, 2019.

In January 2019, the Corporation announced the close of its new private debt fund in the amount of $843 million. The Corporation made a commitment of $2,000,000 to the fund and it is expected that the fund will draw down on the commitments by its investors including the Corporation over a period of up to 36 months.

Victor Koloshuk [(2)]
Executive Chairman
Integrated Asset Management Corp.

David Atkins [(1) (2)]
Corporate director

Robert Brooks [(1)]
Corporate director

John Crocker [(1) (2)]
Corporate Director

Bruce Day [(1) (2)]
Corporate Director

Veronika Hirsch [(2)]
Executive Vice President and Portfolio Manager,
Arrow Capital Management Inc.

David Mather [(3)]
Executive Vice President,
Integrated Asset Management Corp.

John Robertson
President and Chief Executive Officer,
Integrated Asset Management Corp.

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

Integrated Asset Management Corp.

Victor Koloshuk
Executive Chairman

John Robertson
President and Chief Executive Officer

Tom Felkai
Chief Financial Officer

David Mather
Executive Vice President

Jean-Christophe Greck
Vice President, Quebec

Ginger Rothenberger
Corporate Controller

IAM Real Estate

David Pappin
President

Robert Burns
Chief Financial Officer

Michael O’Sullivan
Vice President, Asset Management

IAM Private Debt

John Robertson
Chairman

Philip Robson
President

Theresa Shutt
Chief Investment Officer

Jeff Deacon
Managing Director

Greg Dimmer
Managing Director

Brian Ko
Managing Director

Andrew Shannon
Managing Director

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PricewaterhouseCoopers LLP

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