Integrated Asset Management Corp.

Leadership in

Alternative Asset Management

SECOND QUARTER REPORT – MARCH 31, 2017
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 second quarter of fiscal 2017.

Net earnings for the quarter ended March 31, 2017 from continuing operations were $0.5 million or $0.02 per share versus net loss from continuing operations of $0.0 million or $(0.00) per share in the quarter ended March 31, 2016. Management fees and other income were higher, at $4.0 million versus $2.6 million in the same quarter in 2016.

Earnings before interest, taxes, depreciation and amortization, and stock based-compensation ("EBITDA") improved to $0.9 million from negative $0.2 million in the same quarter of the previous fiscal year. Investment losses of $0.1 million, which are not reflected in the calculation of EBITDA, contributed negatively to net income in the quarter.

Cash flow from operations for the six months ended March 31, 2017 was $0.9 million this year compared to negative $0.9 million in the same six months of the previous fiscal year. The Corporation reported consolidated expenses for the quarter of $3.1 million, up $0.4 million from $2.7 million in the second quarter of fiscal 2016.

Assets and committed capital under management ("AUM") remained at $2.5 billion as compared to December 31, 2016. Of that, approximately $734 million is committed but not yet invested capital from real estate, private debt and infrastructure debt operations.

John Robertson, President and CEO, said *"We first announced in 2014 our strategy of focusing on our two core businesses, private debt and real estate, and becoming a pure-play institutional manager. The closing of the sale* *on March 31, 2017 of our managed futures business completed the divestiture of non-core businesses. Private debt and real estate have been growing and are performing well.*

We earn our management fees on invested capital, not committed capital. The debt and real estate teams combined in the quarter to invest $151 million. This earned a total of $1.5 million in acquisition and commitment fees, as well as making a meaningful increase in recurring, long-term management fee revenue, compared to the same quarter of fiscal 2016, in which we earned $0.3 million in acquisition and commitment fees. We are pleased with these results, and gratified by the success of our strategy. Next quarter will reflect exclusively the results of our core operations. We believe IAM is well-positioned to continue to build on the strength reflected in these results.

During the second quarter we made good progress in deploying committed but uninvested capital. We are generating steady growth in recurring, long-term management fees which will continue for the balance of the year as additional investments are made. As a result, we expect to see further improvement in earnings as we experienced in the second quarter and more stable earnings as recurring, long-term management fees grow."

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") dated May 3, 2017 presents an analysis of the financial condition of Integrated Asset Management Corp. ("IAM" or the "Corporation") and its subsidiaries as at March 31, 2017 compared with September 30, 2016 and the results of operations for the quarter ended March 31, 2017 compared with the quarter ended March 31, 2016. It should be read in conjunction with the Corporation's unaudited interim financial statements for the three months ended March 31, 2017 and the audited financial statements for the year ended September 30, 2016 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 May 3, 2017, 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 9, 2016.

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 $2.5 billion at March 31, 2017, of which $0.7 billion is committed but not yet invested capital.

The Corporation’s private debt and real estate products are mostly 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 most recent private debt fund has a 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

ASSETS AND COMMITTED CAPITAL UNDER MANAGEMENT (“AUM”).

($ millions)	**March 31, 2017**	**September 30, 2016**	**March 31, 2016**
Invested Capital	$ 1,780	$ 1,591	$ 1,542
Committed Capital to be Invested	734	965	777
Total AUM	**$ 2,514**	**$ 2,556**	**$ 2,319**

The AUM shown for both September 30, 2016 and March 31, 2016 exclude the AUM of Integrated Managed Futures Corp. (“IMFC”) because the Corporation has sold all its ownership interest in March 2017.

The AUM decreased $11 million during the quarter ended March 31, 2017 primarily due to the distribution to investors of routine principal repayments received on loans in IAM Private Debt funds.

RESULTS OF OPERATIONS

IAM’s board of directors established a committee comprised of two independent directors (the “Independent Committee”) to consider potential strategic alternatives for IMFC. Following the Independent Committee’s review of alternatives, consideration of various stakeholders and discussions with a number of potential buyers over the past 12 months, the Corporation announced in January 2017 that it had agreed to sell its ownership interest in IMFC. The purchaser is a holding company wholly-owned by Victor Koloshuk, the Executive Chairman, a director and a significant shareholder of IAM. On March 31, 2017, the Corporation completed the sale of all its shares of IMFC.

The financial statements of the Corporation for fiscal years 2017 and 2016 include the operating results of IMFC until the completion of the sale. These operations are separated and classified as “discontinued operations”; the remaining operations of IAM are classified as “continuing operations”. For example, on the Table of Selected Financial Information, shown on the next page, “Total revenues” exclude the revenues of IMFC in both quarters.

Discontinued operations in the six months ended March 31, 2017 is represented by $0.7 million gain on the sale of IMFC net of income taxes and $0.1 million representing the operating losses of IMFC for the period from October 1, 2016 to the completion of the sale in March 2017.

The Corporation has received cash proceeds of $1.0 million in respect of the sale.

In fiscal 2014, the Corporation completed the sale of its wholly-owned subsidiary, BluMont Capital Corporation ("BluMont Capital"). In the quarter ended December 31, 2015, the Corporation recognized consideration of $395,308 in respect the Corporation's share of performance fees realized by the purchaser of BluMont Capital and recorded a gain from discontinued operations, net of related income tax adjustments, of $401,294. This payment of performance fees by the purchaser represents the final contingent portion of the sale agreement.

EBITDA, as defined on page 4, from continuing operations was positive $0.9 million in the quarter ended March 31, 2017 compared with negative $0.2 million for the three-month period ended March 31, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Selected Financial Information (in $000's, except per share amounts)	3 Month Period Ended March 31,		6 Month Period Ended March 31,	
	2017	2016	**2017**	2016

Revenues before the undernoted	**$ 4,059**	$ 2,604	**$ 6,825**	$ 5,100
Investment loss[1,2]	**(62)**	(84)	**(538)**	(21)
Total revenues(2)	**$ 3,997**	$ 2,520	**$ 6,287**	$ 5,079
Reconciliation of EBITDA to Net Income (loss) and Comprehensive Income (loss)				
Earnings before interest, taxes, depreciation and amortization ("EBITDA")[3] **$**	**891**	$ (171)	**$ 972**	$ (799)
Amortization	**(13)**		**(25)**	
Interest expense		(14)		(26)
Stock-based compensation	**(9)**	(7)	**(18)**	(15)
Income recovery (taxes)	**(12)**	(16)	**(28)**	(31)
	(359)	151	**(425)**	223
Income (loss) from continuing operations, net of income taxes				
Gain from discontinued operations, net of income taxes	**498**	(57)	**476**	(648)
Net Income (loss) from discontinued operations, net of income taxes	**699**	-	**699**	401
	(61)	(91)	**(69)**	264
Net income (loss) and comprehensive income (loss) **$**	**1,136**	$ (148)	**$ 1,106**	$ 17
Net income (loss) attributed to:				
Common shareholders of the Corporation **$**	**1,146**	$ (155)	**$ 1,120**	$ (3)
Non-controlling interest	**(10)**	7	**(14)**	20
$	**1,136**	$ (148)	**$ 1,106**	$ 17
Basic and diluted earnings per share				
Continuing operations **$**	**0.02**	$ (0.00)	**$ 0.02**	$ (0.02)
Discontinued operations **$**	**0.02**	(0.01)	**0.02**	0.02
	0.04	$ .01)	**$ 0.04**	$ (0.00)

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

REVENUES

Management fees and other income were $4.0 million in the latest quarter, up $1.4 million from $2.6 million in the comparable quarter of fiscal 2016, management fees and administration fees increased by $1.4 million as committed capital becomes invested. While other income was higher in the current quarter due to interest accrued on loan receivables and investment income.

[1] Investment loss is related to investments that have fully been redeemed and relate to discontinued subsidiaries.

[2] Total revenues are in respect of continuing operations and do not include IMFC.

[3] 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.

EXPENSES

The Corporation reported consolidated expenses for the quarter of $3.1 million, up $0.4 million from $2.7 million in the second quarter of fiscal 2016. Expenses were higher relative to the comparative quarter in the previous year primarily due to an increase in bonuses resulting from the increased profitability in the subsidiaries.

CONSOLIDATED FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2017, the Corporation's net liquid assets of $15.8 million were up $4.4 million from $11.4 million at September 30, 2016.

Cash flow from operations[1] was $0.03 per share for the six months ended March 31, 2017 and ($0.03) per share in the comparable six months of fiscal 2016.

		3 Month Period Ended March 31,				6 Month Period Ended March 31,		
(in $000's, except per share amounts)		**2017**		2016		**2017**		2016
Cash flow from operations[1]						**911**	$	
Cash flow from operations per share[2]	**$**	**684**	$	(24)	**$**			(905)
	$	**0.02**	$	(0.00)	**$**	**0.03**	$	(0.03)

[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 13, 2016, the Corporation announced its intention to renew its Normal Course Issuer Bid ("NCIB") in which the Corporation is permitted to purchase, for cancellation, up to 1,377,830 common shares of the Corporation at prevailing market prices during the 12 month period commencing May 24, 2016 and ending May 23, 2017. The Corporation intends to seek the approval of the Toronto Stock Exchange to renew the NCIB for another 12 month period.

From October 1, 2016 to March 31, 2017 the Corporation purchased nil common shares under the NCIB (September 30, 2016 – purchased nil common shares).

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.

During the current quarter, the Corporation raised $0.3 million through the issuance of 430,000 common shares to employees through the exercise of stock options.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

OUTSTANDING SHARE DATA (as at May 3, 2017)

Common shares

Issued and outstanding	27,954,295
Stock options	1,265,000[1]

(1) Stock options to acquire 1,265,000 common shares are at prices ranging from $0.55 to $1.07 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 2016 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 2016 Annual Report.

RELATED PARTY TRANSACTIONS

During the six months ended March 31, 2017 the Corporation and Koloshuk Farrugia Corp. entered into an agreement for the Corporation to sell its common shares of IMFC and its units of the AlphaCentric/IMFC Managed Futures Strategy Fund as is explained in detail in notes 3 and 4 of the financial statements. The 2016 Annual Report provides further information on related party transactions.

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, 2016. There were no changes to the Corporation's accounting policies from those reported in those audited annual 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, 2016.

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

($000's, except per share amounts)	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Revenues before performance fees	**$ 3,997**	**$ 2,290**	**$ 3,412**	**$ 2,880**
Performance fees	**-**	**-**	**-**	**-**
Total revenues (continuing operations)	**$ 3,997**	**$ 2,290**	**$ 3,412**	**$ 2,880**
Net performance fees (continuing operations)	**$ -**	**$ -**	**$ -**	**$ -**
EBITDA (continuing operations)	**$ 891**	**$ 81**	**$ 269**	**$ 308**
Net income (loss) from continuing operations [1]	**$ 508**	**$ (18)**	**$ 35**	**$ 247**
Net income from discontinued operations	**$ 638**	**$ (8)**	**$ (122)**	**$ (38)**
Net income (loss) and comprehensive income (loss) [1]	**$ 1,146**	**$ (26)**	**$ (87)**	**$ 209**
Earnings (loss) per share				
Basic and diluted (continuing operations)	**$ 0.02**	**$ (0.00)**	**$ 0.00**	**$ 0.01**
Basic and diluted (discontinued operations)	**$ 0.02**	**$ (0.00)**	**$ (0.01)**	**$ (0.00)**
AUM ($ millions)	**$ 2,514**	**$ 2,525**	**$ 2,556**	**$ 2,287**

($000's, except per share amounts)	March 31, 2016	December 31, 2015	September 30, 2015	ne 30, 2015
Revenues before performance fees	$ 2,520	$ 2,559	$ 3,424	$ 2,675
Performance fees	-	-	-	108
Total revenues (continuing operations)	$ 2,520	$ 2,559	$ 3,424	$ 2,783
Net performance fees (continuing operations)	$ -	$ -	$ -	$ 81
EBITDA (continuing operations)	$ (171)	$ (628)	$ 137	$ 299
Net income (loss) from continuing operations [1]	$ (64)	$ (604)	$ (90)	$ (141)
Net income (loss) from discontinued operations	$ (91)	$ 756	$ 183	$ (37)
Net income (loss) and comprehensive income [1]	$ (155)	$ 152	$ 93	$ (178)
Earnings (loss) per share				
Basic and diluted (continuing operations)	$ (0.00)	$ (0.02)	$ (0.01)	$ (0.01)

Basic and diluted (discontinued operations)	$	(0.01)	$	0.03	$	0.01	$	(0.00)
AUM ($ millions)	$	2,319	$	2,318	$	1,637	$	1,652

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

Integrated Asset Management Corp.
Consolidated Balance Sheets - Unaudited

	Notes		**March 31, 2017**		September 30, 2016
Assets					
Current					
Cash and cash equivalents		**$**	**14,476,103**	$	10,064,112
Restricted cash equivalents			**-**		802,827
Receivables			**248,206**		680,207
Income taxes recoverable			**-**		140,118
Prepaids			**131,344**		189,801
Proprietary investments	(Note 4)		**-**		3,899,326
Loan receivable and other assets			**3,607,834**		92,535
Assets of discontinued operations	(Note 3)		**-**		341,130
Total current assets			**18,463,487**		16,210,056
Property and equipment			**102,065**		113,190
Goodwill and intangible assets			**1,651,791**		1,664,732
Proprietary investments	(Note 4)		**938,356**		198,389
Loan receivable and other assets			**10,038**		3,610,038
Deferred income taxes	(Note 9)		**826,061**		872,582
		$	**21,991,798**	$	
	22,668,987				
Liabilities					
Current					
Payables and accruals		**$**	**2,043,952**	$	2,626,803
Deposits			**190,000**		125,000
Tenant inducements			**91,947**		91,947
Income taxes payable			**315,834**		412,593

Interest of third parties in proprietary investments	(Note 4)	**-**	1,416,677	
Liabilities of discontinued operations	(Note 3)	**-**	135,512	
Total current liabilities		**2,641,733**	4,808,532	
Total				shareholders’
equity Tenant inducements		**30,648**	76,622	
Long-term incentive bonus obligation		**307,500**	207,000	**19,002,397**
Deferred income taxes	(Note 9)	**9,520**	9,121	
Total liabilities		**2,989,401**	5,101,275	17,567,712
Contingencies	(Note 10)			
				$
Shareholders’ Equity	(Note 5)			**21,991,798** $
Capital stock		**19,616,633**	19,315,633	22,668,987
Contributed surplus		**1,278,629**	1,250,872	
Deficit		**(1,883,650)**	(3,003,278)	
Non-controlling interest		**(9,215)**	4,485	

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See accompanying notes to the consolidated financial statements

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

		3 Months		6 Months	
For the period ended March 31	Notes	**2017**	2016	**2017**	2016
Revenues					
Management fees and administration fees		**$ 3,931,637**	$ 2,556,946	**$ 6,584,339**	$ 5,008,797
Investment loss	(Note 7)	**(62,336)**	(84,140)	**(538,421)**	(21,495)
Interest and other income		**127,258**	48,107	**240,773**	92,506
		3,996,559	2,520,913	**6,286,691**	5,079,808
Expenses					
Selling, general and administration	(Note 8)	**3,111,801**	2,700,203	**5,517,655**	5,905,643
Stock-based compensation		**12,394**	16,307	**27,757**	31,466
Amortization of property and equipment		**6,113**	6,499	**12,197**	12,921
Amortization of intangible assets		**6,471**	7,454	**12,941**	14,202
Income (loss) before interest of third parties and income taxes		**850,972**	(216,820)	**698,587**	(899,319)
Interest of third parties in investment loss	(Note 7)	**(5,528)**	(8,351)	**(202,706)**	(27,387)

Income (loss) before income taxes		**858,808**	(208,469)	**901,293**	(871,932)
Income taxes (recovery)		**3,145,587**			
Current		**254,680**	(78,473)	**378,449**	85,871
Deferred		**104,068**	(72,536)	**46,920**	(309,279)
		358,748	(151,009)	**425,369**	(223,408)
Income (loss) from continuing operations		**497,752**	(57,460)	**475,924**	(648,524)
Gain (loss) from discontinued operations, net of income taxes	(Note 3)	**637,724**	(90,849)	**630,004**	665,340
Interest expense 7,270 **17,554** 14,895 Total expenses 2,737,733 **5,588,104** 5,979,127					
Net income (loss) and comprehensive income (loss)		**$ 1,135,476**	$ (148,309)	**$ 1,105,928**	$ 16,816
Net income (loss) attributed to:					
Common shareholders of the Corporation		**$ 1,145,554**	$ (155,624)	**$ 1,119,628**	$ (3,209)
Non-controlling interest		**(10,078)**	7,315	**(13,700)**	20,025
		$ 1,135,476	$ (148,309)	**$ 1,105,928**	$ 16,816
Earnings per share attributed to the common shareholders of the Corporation					
Basic and diluted earnings per share	(Note 5)				
Continuing operations		**$ 0.02**	$ (0.00)	**$ 0.02**	$ (0.02)
Discontinued operations		**0.02**	(0.01)	**0.02**	0.02
		$ 0.04	$ (0.01)	**$ 0.04**	$ (0.00)

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, 2016	**27,384,295**	**19,315,633**	**1,250,872**	**(3,003,278)**	**4,485**	**17,567,712**
Stock-based compensation	-	-	27,757	-	-	**27,757**
Net income and comprehensive income	-	-	-	1,119,628	(13,700)	**1,105,928**
Issuance of common shares on exercise of stock options	430,000	301,000	-	-	-	**301,000**

Balance, March 31, 2017	**27,814,295**	**19,616,633**	**1,278,629**	**(1,883,650)**	**(9,215)**	**19,002,397**

At October 1, 2015	**26,327,010**	**18,843,043**	**1,112,929**	**(1,510,518)**	**38,292**	**18,483,746**
Stock-based compensation	-	-	31,466	-	-	**31,466**
Net income and comprehensive income	-	-	-	(3,209)	20,025	**16,816**
Distributions paid to noncontrolling interest	-	-	-	-	(34,223)	**(34,223)**
Issuance of common shares on exercise of stock options	120,000	84,000	-	-	-	**84,000**
Issuance of common shares through employee share purchase plan	309,590	309,590	-	-	-	**309,590**
Balance, March 31, 2016	**26,756,600**	**19,236,633**	**1,144,395**	**(1,513,727)**	**24,094**	**18,891,395**

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 **2017**		2016		6 Months **2017**		2016
Operating activities									
Net income (loss) from continuing operations		**$**	**497,752**	$	(57,460)	**$**	**475,924**	$	(648,524)
Add (subtract) non-cash items:									

Stock-based compensation		**12,394**	16,307	**27,757**	31,466
Amortization of property and equipment		**6,113**	6,499	**12,197**	12,921
Amortization of intangible assets		**6,471**	7,454	**12,941**	14,202
Deferred income taxes (recovery)		**104,068**	(72,536)	**46,920**	(309,279)
Investment loss	(Note 7)	**62,336**	84,140	**538,421**	21,495
Interest of third parties in investment (loss)		**(5,528)**	(8,351)	**(202,706)**	(27,387)
Cash provided by (used in) operating activities before changes in operating assets and liabilities		**683,606**	(23,947)	**911,454**	(905,106)
Net change in non-cash balances relating to operations		**1,323,368**	(120,332)	**280,981**	(2,234,068)
Interest received		**41,615**	44,874	**167,466**	89,273
Interest paid		**(8,808)**	(7,270)	**(17,554)**	(14,895)
Income taxes paid		**-**	-	**(440,118)**	(72,000)
		3,280,526	(807,651)	**3,075,153**	(787,704)
		-	126,489	**-**	126,489
		3,280,526	(681,162)	**3,075,153**	(661,215)
Cash provided by (used in) continuing operating activities		**2,039,781**	(106,675)	**902,229**	(3,136,796)
Cash provided by (used in) discontinued operating activities		**(7,903)**	272,498	**(129,582)**	647,651
Cash provided by (used in) operating activities		**2,031,878**	165,823	**772,647**	(2,489,145)
Investing activities					
Proceeds from sale of division		**1,000,000**	-	**1,000,000**	-
Cash included in assets of division sold		**(133,569)**	-	**(133,569)**	-
Proceeds from sale of proprietary investments		**2,152,715**	-	**2,156,214**	72,917
Investments in proprietary investments		**(542,392)**	-	**(749,248)**	-
Restricted cash equivalents		**804,844**	(800,000)	**802,828**	(800,000)
Purchase of property, equipment and intangible assets		**(1,072)**	(7,651)	**(1,072)**	(60,621)
Cash provided by (used in) continuing investing activities					

Cash provided by discontinued investing activities				
Cash provided by (used in) investing activities				
Financing activities				
Distributions paid to non-controlling interest	**-**	-	**-**	(34,223)
Issuance of common shares on exercise of stock options	**301,000**	84,000	**301,000**	84,000
Issuance of common shares through employee share purchase plan	**-**	309,590	**-**	309,590
Cash provided by financing activities	**301,000**	393,590	**301,000**	359,367
Increase (decrease) in cash and cash equivalents	**5,613,404**	(121,749)	**4,148,800**	(2,790,993)
Cash and cash equivalents continuing operations, beginning of period	**8,694,995**	12,729,859	**10,064,112**	15,398,152
Cash and cash equivalents discontinued operations, beginning of period	**167,704**	293,340	**263,191**	294,291
Cash and cash equivalents, end of period	**$ 14,476,103**	$ 12,901,450	**$ 14,476,103**	$ 12,901,450
Represented By:				
Cash and cash equivalents per the balance sheet	**14,476,103**	12,572,833	**14,476,103**	12,572,833
Cash and cash equivalents included in assets classified		328,617		328,617
	$ 14,476,103	$ 12,901,450	**$ 14,476,103**	$ 12,901,450
as discontinued operations	**-**		**-**	

See accompanying notes to the consolidated financial statements.

Integrated Asset Management Corp.

Notes to the Consolidated Financial Statements - Unaudited

March 31, 2017

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”). 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 customers. 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, 2016.

These interim financial statements were authorized for issuance by the Board of Directors of IAM on May 3, 2017.

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, 2016.

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%	
Integrated Managed Futures Corp. (“IMFC”)	77.5%	(b)
Integrated Partners Holding GP One Limited (“IPHGPOL”)	57.8%	(c)

(a) 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 one specific fund in the future.

(b) In March 2017, the Corporation sold all its ownership interest in IMFC. (Note 3)

(c) In fiscal 2016, the Corporation wound up this subsidiary with the final liquidation of the underlying fund’s remaining investment.

The consolidated financial statements include all the assets, liabilities and operations of a fund managed by the Corporation for the period in which the Corporation had a controlling interest in the fund. At March 31, 2017, the Corporation no longer had a controlling interest in the AlphaCentric/IMFC Managed Futures Strategy Fund (formerly Attain IMFC Macro Fund). The Corporation does not have any contractual arrangements that could require it to provide financial support, nor did it provide such support, to this consolidated structured entity. Interest of third parties in proprietary investments represents the share of AlphaCentric/IMFC Managed Futures Strategy Fund owned by outside parties; it is presented as a component of liabilities and any changes in fair value are included in the consolidated statement of income (loss) and comprehensive income (loss). 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; the share of net assets which are attributable to non-controlling interest 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.

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, 2016 describe the key assumptions and estimates which could have a material impact on the carrying amounts of the assets and liabilities of the Corporation.

3. DISCONTINUED OPERATIONS

On December 2, 2013, the Corporation completed the sale of all its shares of BluMont Capital Corporation ("BluMont Capital"). The Corporation recognized consideration of $9,733,991 in respect of the sale and recorded a gain from discontinued operations, net of income taxes, of $6,512,026 in fiscal 2014.

The Corporation recognized consideration of $395,308 in respect to the Corporation's final share of performance fees realized by the purchaser of BluMont Capital and recorded a gain from discontinued operations, net of related income tax adjustments, of $401,294 in fiscal 2016. The Corporation is not entitled to any further consideration.

	3 Months		6 Months	
For the period ended March 31	**2017**	2016	**2017**	2016
Gain on discontinued operations, net of income taxes	**$ -**	**$ -**	**$ -**	$ 401,294

The Corporation and Koloshuk Farrugia Corp. ("KFC") entered into an agreement for the Corporation to sell all of the common shares of IMFC held by the Corporation and an outstanding loan owed to the Corporation by IMFC. KFC is a holding company wholly owned by Victor Koloshuk, the Executive Chairman, a director and a significant shareholder of IAM. On March 31, 2017, the Corporation completed the sale of all its shares of IMFC. The Corporation received cash consideration of $1,000,000 in respect of the sale.

Previous to the sale agreement IAM's board of directors established a committee comprised of two independent directors (the "Independent Committee") to consider potential strategic alternatives for IMFC. Following the Independent Committee's review of alternatives, consideration of various stakeholders and discussions with a number of potential buyers over the past 12 months by the Independent Committee, the Board concluded that the Corporation should proceed with the agreement with KFC.

The Corporation has recorded a gain on sale of discontinued operations, net of income taxes of $630,004.

Consideration - Cash received	$ 1,000,000
Less: net assets of IMFC disposed	(176,489)
	823,511
Expenses related to the sale	(124,419)
Tax on proceeds	-
Gain on sale, net of taxes	699,092
Net loss and comprehensive loss from discontinued operations, net of taxes	(69,088)
Gain from discontinued operations, net of taxes	$ 630,004

For the three and six months ended March 31, 2017 and 2016, the operating performance of IMFC has been included in the Corporation's consolidated statement of income (loss) and comprehensive income (loss) as "discontinued operations" and comprised the following:

	3 Months		6 Months	
For the period ended March 31	**2017**	2016	**2017**	2016
Revenue	**$ 100,158**	$ 138,647	**$ 230,718**	$ 713,872
Expenses	**161,526**	229,496	**299,806**	449,826
Net income (loss) and comprehensive income (loss) from discontinued operations held for sale, net of taxes	**$ (61,368)**	$ (90,849)	**$ (69,088)**	$ 264,046

As at September 30, 2016, the assets and liabilities related to IMFC have been included in the Corporation's consolidated balance sheet as "discontinued operations" and comprised the following:

		September 30, 2016
Assets classified as discontinued operations		
Cash and cash equivalents	$	263,191
Receivables		55,640
Prepaids		10,889
Property and equipment		8,186
Intangible assets		3,224
	$	341,130
Liabilities classified as discontinued operations		
Payables and accruals	$	135,512
	$	135,512

4. PROPRIETARY INVESTMENTS

		March 31, 2017		September 30, 2016
Fair value through profit or loss proprietary investments	**$**	**-**	$	3,899,126
Fair value of forward currency contract		**-**		200
Other proprietary investments		**938,356**		198,389
	$	**938,356**	$	4,097,715
Less amount included in current assets		**-**		(3,899,326)
	$	**938,356**	$	198,389

The Corporation's maximum exposure to loss from its proprietary investments is equal to the total value of its investments.

Fair value through profit or loss proprietary investments consisted of an investment in a fund that was managed by the Corporation. In January 2017, the Corporation and KFC entered into an agreement for the Corporation to sell all its units of the AlphaCentric/IMFC Managed Futures Strategy Fund to KFC at fair market value. KFC is a holding company wholly owned by Victor Koloshuk, the Executive Chairman, a director and a significant shareholder of IAM.

As at March 31, 2017, the Corporation no longer had a controlling interest in any funds (September 30, 2016: one fund) the prior period included all of the assets, liabilities and results of operations of the fund in the Corporation's consolidated financial statements in which the Corporation had a controlling interest in that fund. The interest of third parties in proprietary investments in the amount of $nil has been included as a liability on the Corporation's consolidated balance sheet as at March 31, 2017 (September 30, 2016: $1,416,677).

As at March 31, 2017, the other proprietary investments is the Corporation's investment 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 owns 0.3% of IPD Fund V with total net assets and committed capital of $667,000,000 at March 31, 2017. The Corporation owns 0.6% of IAM Infrastructure Fund with total net assets and committed capital of $347,000,000 at March 31, 2017. As disclosed in IAM's annual financial statements for the year ended September 30, 2016, the Corporation has no current intentions to provide financial or other support to the funds managed by the Corporation.

5. SHAREHOLDERS' EQUITY

a) Capital Stock

At March 31, 2017 the Corporation had 27.8 million shares outstanding (September 30, 2016 – 27.4 million).

On May 13, 2016, 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 1,377,830 common shares of the Corporation at prevailing market prices during the 12 month period commencing May 24, 2016 and ending May 23, 2017.

From October 1, 2016 to March 31, 2017 the Corporation purchased nil common shares under the NCIB (September 30, 2016 – purchased nil common shares).

b) Employee Share Purchase Plan

The Corporation had an Employee Share Purchase Plan (the "Plan") which was approved at the Corporation's meeting of shareholders in February 2015. Under the Plan, eligible employees were permitted by the Corporation to purchase common shares from the treasury of the Corporation. The maximum number of common shares permitted to be issued under the Plan was 1,500,000 common shares. In January 2016, the Corporation issued 309,590 common shares from treasury for cash of $309,590 and accrued a bonus obligation of $77,400 payable to those eligible employees. The purchase price for the shares of the Plan was determined by using the stock's price history before the purchase date. The Plan has been discontinued as of July 15, 2016.

c) 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 maximum number of common shares that may be issued under the Loan Plan is 1,250,000 common shares. In September 2016, the Corporation issued 517,695 common shares from treasury for loans receivable from employees of $584,995. The purchase price ($1.13) for the shares of the Loan Plan was determined by using the stock's price history before the purchase date. Due to the nonrecourse nature of the employees' loans, the Corporation accounts for the Loan Plan as stock based compensation.

d) 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, 2016	1,845,000	$0.83
Options Exercised	(430,000)	0.70

Cancelled	(10,000)	0.96
As at March 31, 2017	1,405,000	$0.87

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, 2017:

Number of Options Outstanding	Number of Options Vested and Exercisable	Exercise Price	Expiry Date
50,000	-	$1.07	2023
160,000	-	$1.07	2022
150,000	-	$1.00	2022
500,000	166,667	$0.86	2022
160,000	53,333	$0.90	2021
40,000	40,000	$0.55	2019
80,000	80,000	$0.90	2018
265,000	265,000	$0.70	2017
1,405,000	605,000		

e) Basic and diluted earnings per share

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

	3 Months		**6 Months**	
For the period ended March 31	**2017**	2016	**2017**	2016
Numerator				
Net income (loss) attributed to common shareholders of the Corporation – basic and diluted	**$ 1,145,554**	$ (155,624)	**$ 1,119,628**	$ (3,209)
Denominator				
Weighted average number of common shares – basic	**27,460,517**	26,670,527	**27,421,987**	26,497,830
Dilutive effect of employee stock options	**318,117**	326,531	**306,574**	327,875
Weighted average number of share - diluted	**27,778,634**	26,997,058	**27,728,561**	26,825,705
Earnings per common share, basic and diluted	**$ 0.04**	$ (0.01)	**$ 0.04**	$ (0.00)

f) 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 3, 2017	27,954,295
Options outstanding to purchase shares, at May 3, 2017	1,265,000
	29,219,295

6. DIVIDENDS

No dividends were declared nor paid during the six months ended March 31, 2017 and March 31, 2016.

7. INVESTMENT LOSS

	3 Months		6 Months	
~~For the period ended March 31~~	~~**2017**~~	2016	**2017**	2016
Proprietary investments at fair value through profit or loss	**$ (62,336)**	$ (223,740)	**$ (482,821)**	$ (161,095)
Realized and unrealized gain (loss) on forward currency contract	-	139,600	**(55,600)**	139,600
	$ (62,336)	$ (84,140)	**$ (538,421)**	$ (21,495)

The Corporation owned proprietary investments and had a forward currency contract that expired in January 2017; and recognizes the change in fair value on the consolidated statements of income (loss) and comprehensive income (loss).

Included in these amounts is an investment loss of $5,528 for the three months ended March 31, 2017 (2016 – loss of $8,351) and an investment loss of $202,706 for the six months ended March 31, 2017 (2016 – loss of $27,387) in respect of funds consolidated in these financial statements that is attributed to the interest of third parties in proprietary investments.

8. SELLING, GENERAL AND ADMINISTRATION EXPENSES

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

	3 Months		6 Months	
For the period ended March 31	**2017**	2016	**2017**	2016
Salaries and benefits	**$ 2,594,020**	$ 1,904,636	**$ 4,400,843**	$ 4,505,225
Advertising and marketing	**45,101**	39,557	**74,602**	112,491
Travel and entertainment	**57,243**	88,990	**120,199**	175,378
Consulting fees	**5,842**	46,909	**46,706**	81,063
Occupancy	**169,388**	163,135	**330,776**	328,356
Professional fees	**103,932**	313,901	**232,249**	397,282
Fees and licences	**8,882**	7,254	**18,049**	23,924
Office expenses and other	**127,393**	135,821	**294,231**	281,924
	$ 3,111,801	$ 2,700,203	**$ 5,517,655**	$ 5,905,643

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 six months ended March 31, 2017 is as follows:

	September 30, 2016	Recognized in income	March 31, 2017

Deferred income tax assets						
Unused non-capital tax losses	$	718,284	$	(73,154)	$	645,130
Other		6,163		-		6,163
Long-term incentive bonus obligation		148,135		26,633		174,768
Total deferred income tax assets	**$**		**$**	**(46,521)**	**$**	
Deferred income tax liabilities						
Other				399		
Total deferred income tax liabilities	**$**	**9,121**	**$**	**399**	**$**	**9,520**
Net deferred income taxassets	**$**	**863,461**	**$**	**(46,920)**	**$**	**816,541**

872,582		**826,061**
9,121		9,520

10. CONTINGENCIES AND PROVISIONS

From time to time the Corporation is engaged in litigation arising in the ordinary course of business including claims for additional compensation by former employees. IAM has made provisions based on current information and the probable resolution of such proceedings and claims. The amount of the losses, if any, cannot be reasonably determined at this time.

11. COMPARATIVE FIGURES

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

12. 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, 2017

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.
Principal Officers
March 31, 2017

Integrated Asset Management Corp.	**IAM Private Debt**
Victor Koloshuk Executive Chairman	John Robertson Chairman
John Robertson President and Chief Executive Officer	Philip Robson President
Tom Felkai	Theresa Shutt

Chief Financial Officer

David Mather
Executive Vice President

Jean-Christophe Greck Vice
President, Quebec

Ginger Rothenberger
Corporate Controller

IAM Real Estate

Rick Zagrodny
President

David Pappin
Chief Operating Officer

David Warkentin
Senior Vice President, Investments

Robert Burns
Chief Financial Officer and Treasurer

Michael O'Sullivan
Vice President, Asset Management

Chief Investment Officer

Douglas Zinkiewich
Managing Director and Head of
Investment Management

Jeff Deacon
Managing Director

Greg Dimmer
Managing Director

Brian Ko
Managing Director

Andrew Shannon
Managing Director

Frank Duffy Vice-
Chair

Auditors:
PricewaterhouseCoopers LLP

Transfer Agent:
TSX Trust Company

Stock Listing:
TSX – “IAM”

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