



Annual Investor Day

September 22, 2020

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Important Disclosures

Non-GAAP Measures

Westaim

Westaim uses both international financial reporting standards (as issued by the International Accounting Standards Board) ("IFRS") and non-GAAP measures to assess performance. Westaim cautions readers about non-GAAP measures that do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures used by other companies.

Book Value Per Share ("BVPS") is a non-GAAP measure – see section 15 of Westaim's MD&A for the quarter ended June 30, 2020 for a discussion of BVPS including a reconciliation to the Corporation's shareholders' equity as at June 30, 2020 determined under IFRS.

HIIG

HIIG uses United States generally accepted accounting principles ("US GAAP") and non-GAAP measures to assess performance. Please refer Westaim's MD&A for the quarter ended June 30, 2020 for HIIG's non-GAAP measures.

Arena FINCOs and Arena Investors

Arena FINCOs and Arena Investors uses both US GAAP, IFRS and non-GAAP measures to assess performance.

Net Return on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense, management, asset servicing and incentive fees, and other operating expenses of the Arena FINCOs divided by average carrying values for the Arena FINCOs, for the period.

Gross Return on the Arena FINCOs investment portfolios is the aggregate of investment income, net of gains (losses) on investments less interest expense divided by average carrying values for the Arena FINCOs, for the period.

Realized IRR: Realized calculations are presented net of investment level expenses and gross of fund level fees (e.g. management and incentive fees), which can impact returns significantly.

Current IRR reflects all investment activity, i.e. prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through June 30, 2020. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

Underwritten IRRs: Investment-level gross underwritten IRR represents the internal rate of return prior to or at the time of making the initial investment as reflected in and supported by loan agreements, including, but not limited to, note purchase agreements and origination agreements. The underwritten IRR is one of many metrics considered by Arena prior to investment and is not typically updated after the initial funding date. The underwritten IRR may be presented as a single percentage or a range. Such gross IRRs are estimated and do not take into account any entity level management fees, incentive allocation and/or any other associated fees, all of which may significantly reduce the net return received attributable to any investment. These underwritten IRRs are not a proxy for investment performance for any strategy or fund; investment performance may be provided upon request. The underwritten IRRs disclosed herein are being presented for the purpose of providing insight into the investment objectives of Arena, detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments and for establishing a benchmark for future evaluation of Arena's strategy. The IRRs are also being presented because financially sophisticated investors may find this information useful in determining where Arena's strategies may fit within their investment portfolios. The IRRs included in this presentation are not intended, and must not be regarded, as a representation, warranty or prediction that any Arena vehicles will achieve any particular return with respect to any particular investment opportunity or for a particular time period, or that Arena and its investors will not incur losses. In evaluating these IRRs, it should be noted that (a) there can be no assurance that Arena will be able to source and consummate investments of the type it is seeking to make and (b) the assumptions underlying the IRRs may prove not to be accurate or not materialize. There can be no assurance that the objective of the investment shown can be met or that substantial losses will be avoided.

All amounts herein are in United States dollars unless otherwise indicated. Certain comparative figures have been reclassified to conform to the presentation of the current year, and certain totals, subtotals and percentages may not reconcile due to rounding.

Important Disclosures

Arena Investors

The following is being provided solely in relation to Arena Investors, LP, its funds, subsidiaries and affiliates:

Returns shown are unaudited. **Past performance is not indicative or a reliable indicator of future performance. Actual results may vary.**

The information set forth herein does not purport to be complete, is unaudited and subject to change. Arena has no obligation to update or revise such information. Unless otherwise stated, the information contained herein is current as of the date of the presentation.

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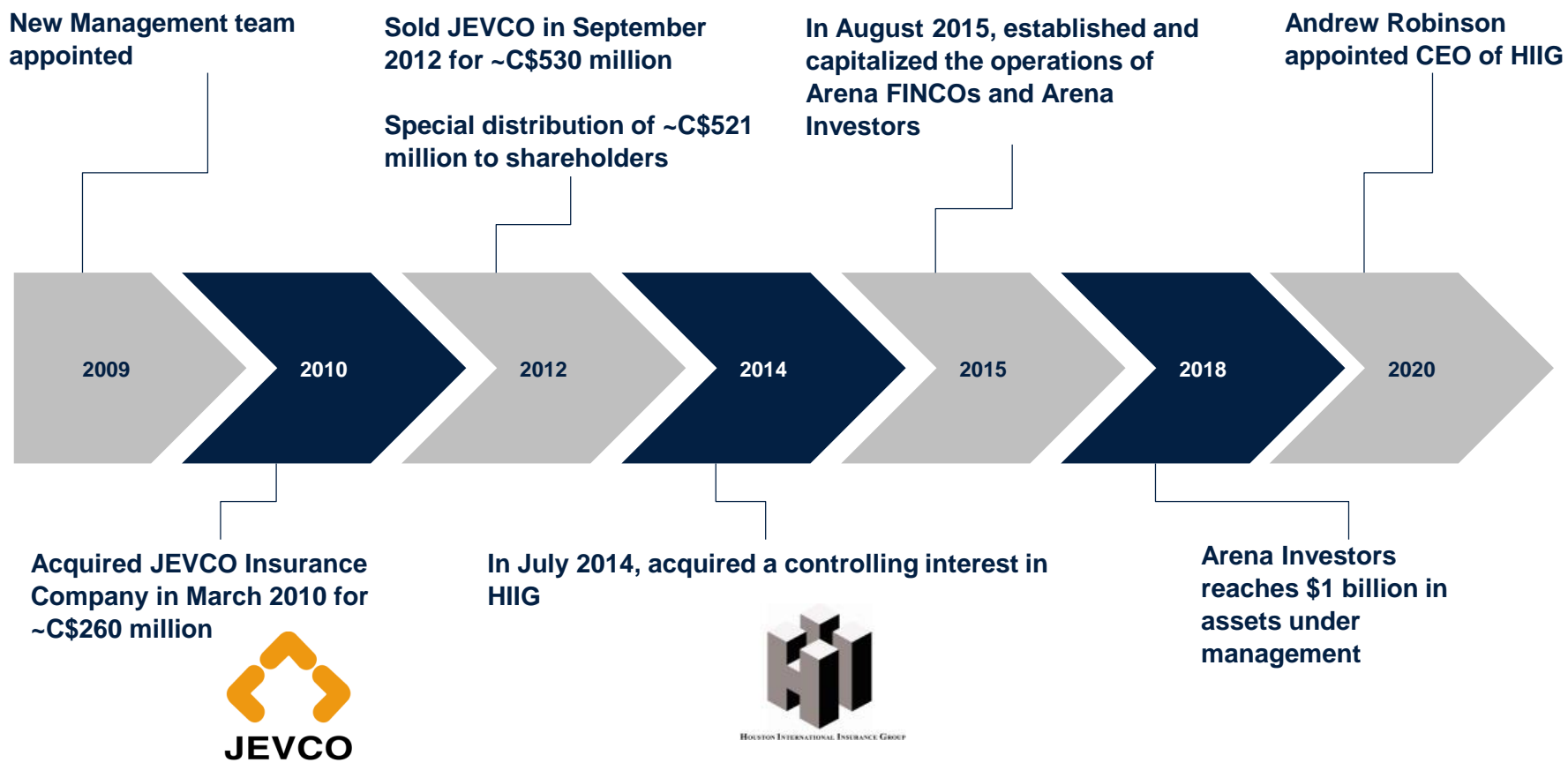
Investments in Arena vehicles are speculative in nature and involve risk. There can be no assurance that investment objectives will be achieved and investment results may vary substantially over time. These investments are not intended to be a complete investment program for any investor. There is no secondary market for an investor's interest in Arena funds and none is expected to develop. Arena's funds are not registered under the Investment Company Act of 1940 and accordingly are not extensively regulated. Opportunities for redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. Leverage may be employed in the funds, which can make investment performance volatile. Valuation of the investments may involve uncertainties and the exercise of judgment. An investor should not make an investment unless the investor is prepared to lose all or a substantial portion of its investment. The fees and expenses charged in connection with investments may be higher than the fees and expenses of other investment alternatives and may offset profits, and the performance-based compensation paid to Arena may create an incentive for Arena to make more speculative investments than would otherwise be the case. Arena has total authority and control over its funds and the use of a single advisor applying generally similar investment programs could mean a lack of diversification and, consequently, higher risk. For a comprehensive list of risk factors, an investor must review the risk factors as specified in the related confidential information memorandum for a specific fund or investment management agreement, which will be made available upon request.

The information provided herein should not be considered a recommendation regarding a particular investment. The actual and potential investments discussed herein are meant to be examples of Arena's investment approach. It should not be assumed that any of the investments discussed herein will prove to be profitable, or that the investment recommendations or decisions made by Arena in the future will be profitable. The particular investments discussed herein are those that most closely represent the current average-sized Arena investment in a particular category (Corporate Private Credit, Real Estate Private Credit, Commercial and Industrial Assets, Structured Finance and Consumer Assets).

In addition, performance of market indices is being provided for the purpose of making general market data available as a point of reference only. We believe there are no known directly comparable indices for the Arena Special Opportunities Strategies composite which is comprised of the Arena Special Opportunities Fund, LP and Arena Special Opportunities (Offshore) Master, LP (collectively the "Fund"). The Fund's investments are not limited to the investments listed by the market indices. The Fund may invest in different securities and engage in different trading strategies from the indices. In addition, it should be noted that the sector, industry, stock and country exposures, volatility, risk characteristics and holdings of the Fund differ materially from those of the indices. The indices do not reflect fees and expenses associated with the active management of portfolios. The performance returns of the indices were obtained from Bloomberg and other third-party sources and include the reinvestment of earnings. Although Arena believes these sources to be reliable, it is not responsible for errors or omissions from these sources.

Market indices used: The Standard & Poor's LSTA Leveraged Loan 100 Index is a capitalization-weighted syndicated loan index that seeks to mirror the performance of the 100 largest syndicated loans in the levered loan market. Leveraged loans are senior secured debt obligations rated below investment grade. The index information provided is for illustrative purposes only. The Fund's strategy does not track the index and can significantly vary than that of the performance on the indexes provided.

Westaim History: Past 11 Years



Current Portfolio



**Specialty Property
and Casualty
Insurance**



HOUSTON INTERNATIONAL INSURANCE GROUP

**Proprietary Capital
Invested with Arena**



ARENA

Arena FINCOs

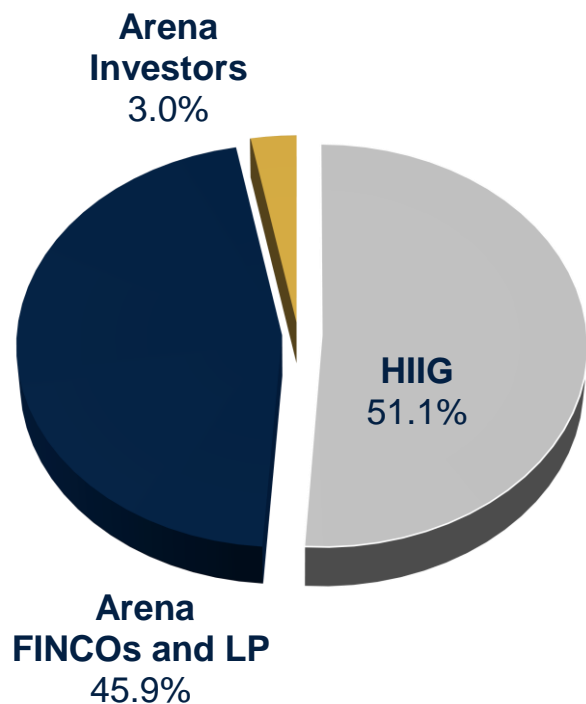
**Alternative
Investment
Management**



ARENA

INVESTORS LP

Breakdown of Westaim's Investments at June 30, 2020



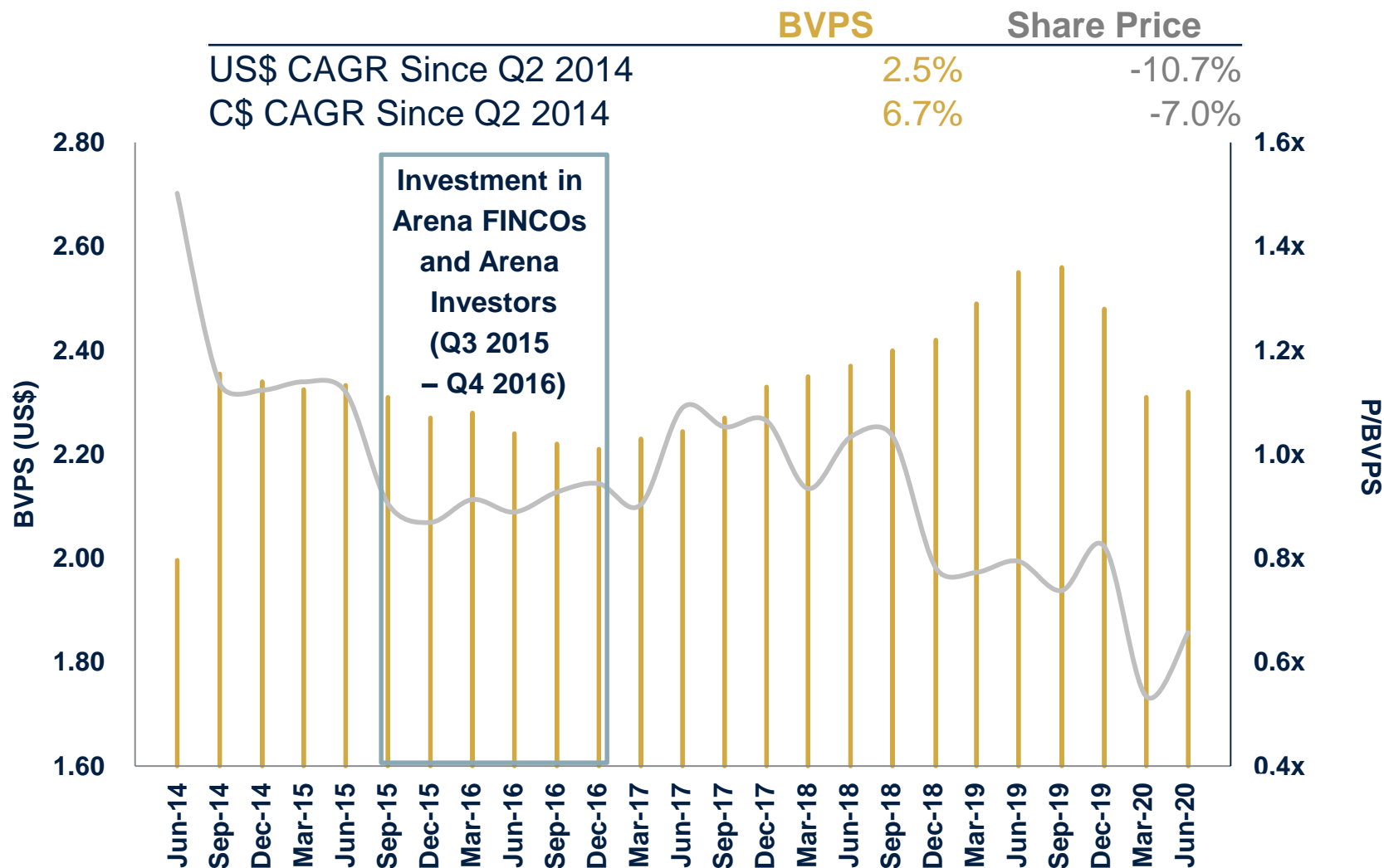
Investments	Book Value (US\$ millions)
HIIG (44.0% owned by Westaim) ⁽¹⁾	\$191.0
Arena FINCOs and LP ⁽²⁾ (100% owned by Westaim)	171.7
Arena Investors (51% owned by Westaim) ⁽³⁾	11.1
Total	\$373.8

(1) As at June 30, 2020, the Company owned 44.0% of HIIG's preferred shares which are convertible into HIIG common shares representing 22.7% of the fully diluted HIIG common shares. The Company also owned 21.3% of the HIIG fully diluted common shares through the HIIG Partnership. Accordingly, the Company's total look-through ownership interest in HIIG is 44.0%. Based on the Company's control of the HIIG Partnership, and its ownership of preferred shares, the Company holds a 57.0% voting interest in HIIG.

(2) Investment in Arena Special Opportunities Fund, LP ("LP"), a fund managed by Arena Investors (\$2.7 million) and the Arena FINCOs (\$169.0 million).

(3) Legal equity ownership is 100%, and beneficial ownership denotes profit percentage subject to change over time pursuant to the earn-in rights granted to Bernard Partners, LLC (owned by members of Arena Investors' management team) described under "Investments" of Westaim's MD&A for the quarter ended June 30, 2020.

Book Value per Share ("BVPS") and Share Price / BVPS⁽¹⁾⁽²⁾



(1) Source: Capital IQ.

(2) Book Value Per Share ("BVPS") is a non-GAAP measure – see section 15 of Westaim's MD&A for the quarter ended June 30, 2020.

Market Statistics

Ticker:
TSXV: WED

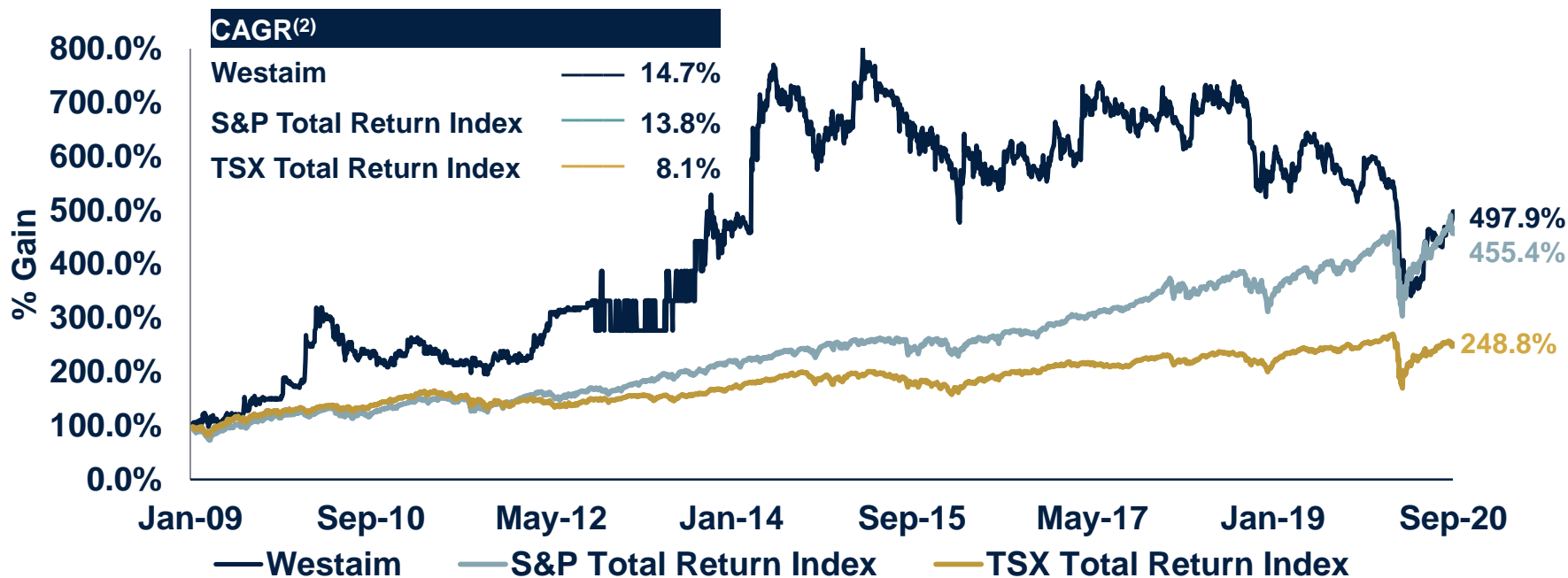
Share Price
(September 18, 2020):
C\$ 2.25

BVPS (Q2 2020)⁽¹⁾:
US\$ 2.32 / C\$ 3.15

Shares Outstanding:
143.2 million

Market Capitalization
(September 18, 2020):
C\$ 322.2 million

Shareholders' equity (Q2 2020)
(millions): US\$ 334.3 / C\$ 454.2



Source: Capital IQ.

Note: Balance sheet data as at June 30, 2020; Exchange rate used is 1.35865 C\$ / US\$ (as at June 30, 2020).

(1) Book Value Per Share ("BVPS") is a non-GAAP measure as reported at June 30, 2020 – see section 15 of Westaim's MD&A for the quarter ended June 30, 2020.

(2) Assumes the reinvestment of the cash distribution of C\$37.50 per common share paid by Westaim on September 28, 2012.

(3) Compounded annual growth rate is from January 2, 2009 – September 18, 2020, the period current management has been involved with Westaim.

New Westaim Directors: Significant Investment Management Experience



**Lisa
Mazzocco**

Ms. Mazzocco has been the Chief Investment Officer at the University of Southern California (“University”) since April 2011. In such role, Ms. Mazzocco is responsible for managing the University’s endowment. Prior to joining the University, she was Chief Investment Officer for the Los Angeles County Employees Retirement Association (“Retirement Association”), where she was responsible for the management of a \$40 billion pension fund. Ms. Mazzocco worked for the Retirement Association for almost 19 years in various capacities. She is also an advisory committee member for Los Angeles Capital Management and the Tiogo Foundation. Ms. Mazzocco earned a Bachelor of Science Degree in Business Administration (Finance) from San Diego State University in 1985 and a Masters of Business Administration from California State Polytechnic University, Pomona 1996.



**Kevin E.
Parker**

Kevin Parker has over 38 years of Wall Street experience in trading, technology, risk and asset management and over 25 years of entrepreneurial ventures in impact investment, organic farming and e-commerce. Mr. Parker is the Managing Partner of Sustainable Insight Capital Management (SICM), a New York-based, global investment management firm that combines a unique alpha-generating process with ESG principles. Prior to SICM, Mr. Parker served as a member of the Group Executive Committee of Deutsche Bank from 2001 - 2012. He also served as the Global Head of Asset Management from 2004-2012. Prior to joining Deutsche Bank, Mr. Parker was a Managing Director at Morgan Stanley, managing Global Equity Derivatives trading and the firm’s Global Technology Group.

Mr. Parker is a globally recognized leader in the field of sustainable investing and is a passionate advocate for action in the fight against climate change, having identified climate change as a megatrend in 2004. He is also the owner of Chateau Maris, Cru La Liviniere, an award-winning, certified organic and biodynamic winery in France hailed by Wine Spectator Magazine as “one of the five most environmentally-friendly wineries in the world”. Outside of business activities, Kevin actively participates in various philanthropic activities. Mr. Parker is also a former board member of the Sustainable Accounting Standards Board (SASB) and the Investment Committee of the Metropolitan Opera.

New HIIG Directors: Extensive P&C Insurance Experience



**James C.
Hays**

Mr. Hays was born and raised in Minneapolis, Minnesota and attended the University of Minnesota's Carlson School of Management, both as an undergraduate and graduate student. Upon completing his MBA in 1980, he joined FM Global. He worked as a broker for Reed Stenhouse, Bayly Martin & Fay and Aon, prior to starting the Hays Companies, a retail broking business with more than 750 experienced professionals in more than 35 locations throughout the United States. In 2018, Mr. Hays sold The Hays Group to Brown & Brown and currently serves as Vice Chairman of the company.

Previously, Mr. Hays was the largest shareholder of Heritage Syndicate in Lloyd's of London, which he sold in 2008. Currently, Mr. Hays is the largest shareholder of Lloyds Syndicate 1969, Apollo, which he started with Mr. Neil Armstrong, Mr. Nick Jones, Mr. Andy Rowland, and Mr. Simon White in 2010. Mr. Hays has been a shareholder of HIIG since its establishment in 2007.



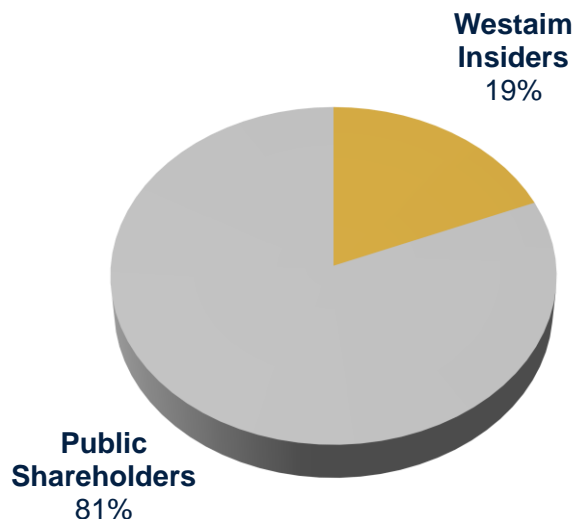
**Donald D.
Larson**

Mr. Larson is a CPCU / CPA (inactive) and is the retired President and Chief Operating Officer of Great American Property and Casualty Group and Great American Insurance Company, where he worked for more than 40 years.

Mr. Larson has considerable experience in the property and casualty insurance business including specialty lines, many of which HIIG currently underwrites. Mr. Larson is a graduate of Ohio University in Athens, Ohio with a Bachelor of Business Administration. He is a Certified Public Accountant (inactive) and holds the Chartered Property and Casualty Underwriter (CPCU) designation.

Significant Increase in Insider Ownership in 2020

Insider Ownership (as at September 18, 2020)⁽¹⁾



Westaim Insider	YTD Common Shares Purchased
James C. Hays, <i>Director, HIIG</i>	5,688,386
Donald D. Larson, <i>Director, HIIG</i>	1,060,511
Parag Shah, <i>MD, Head of Business Development, Arena Investors</i>	698,200
Other Westaim Insiders	75,500
Total	7,522,597
Increase in YTD Insider Ownership	5.3%

(1) Includes common shares outstanding, but excludes options, restricted stock units outstanding and deferred share units outstanding.

Houston
International
Insurance Group

Company
Update

Agenda

- (Re) Introduction to HIIG
- Incisive action to improve results
- Strategy and direction to drive towards top quartile performance

HIIG at a glance

Business Overview

- A private, US-based specialty property and casualty insurer that writes on both an admitted and non-admitted basis
- Strategy focuses on building defensible positions in high profit niche segments to deliver top quartile consistent returns
- Top talent that drives disciplined and insightful underwriting, claims excellence, and efficient capital management is at the core of our strategy execution
- Operate in all 50 states and select international markets
- Rated A- by AM Best
- 361 employees as of June 30, 2020 across 13 offices

Key GAAP Financial Metrics

(US\$ millions)	Actual 2018	Actual 2019	YTD Excl. LPT ⁽¹⁾ 6/30/2020
Select Income Statement Metrics			
Gross written premium	\$696.9	\$ 878.3	\$485.8
Net written premium	300.5	421.7	210.9
Pre-tax income ⁽¹⁾	25.7	39.9	(4.6)
Net income ⁽¹⁾	20.9	32.3	(3.6)
Combined ratio⁽¹⁾	99.5%	98.4%	98.1%
Select Balance Sheet Metrics			
Cash and invested assets	\$624.3	\$797.7	\$739.4
Total assets	1,543.9	1,776.8	1,969.3
Total liabilities	1,213.9	1,406.6	1,549.7
Stockholders' equity	329.9	370.2	419.6

(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q2 2020 or adverse development subject to the LPT.

Leadership team of “A” specialty insurance executives



Andrew Robinson
Chief Executive Officer
Previously President
Specialty and EVP Corp.
Development, Hanover
Insurance Group |
Managing Director, Global
Insurance PWC



Mark Haushill
Chief Financial Officer
Previously CFO, Argo Group | CFO,
American Safety Holdings
Certified Public Accountant

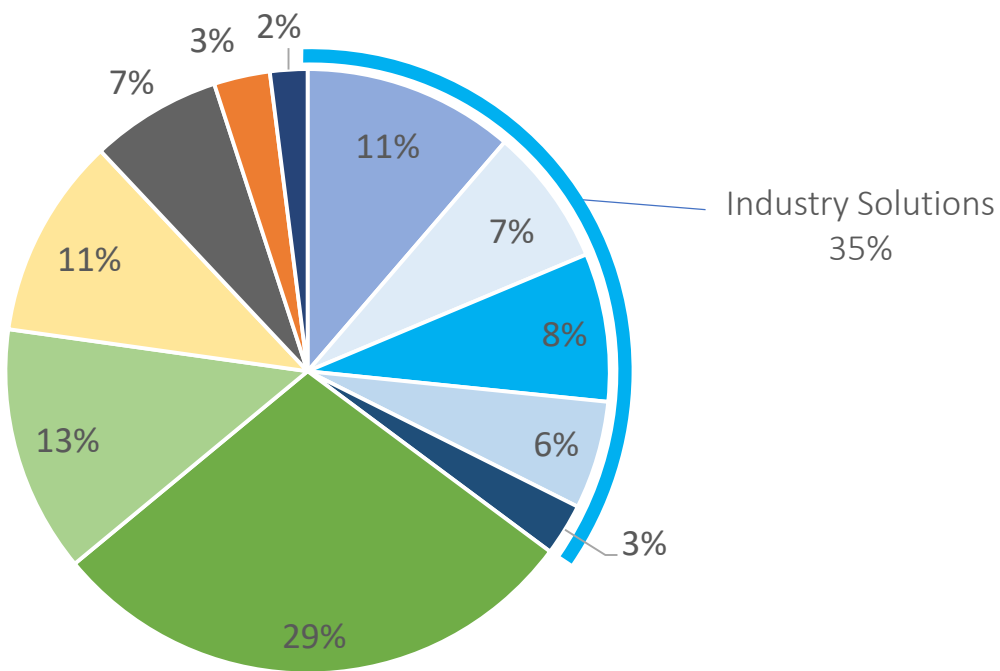


Sean Duffy
Chief Claims Officer
Previously Chief Claims
Officer, One Beacon
Insurance Group | SVP
Corporate Claims at Great
American Insurance



Tom Schmitt
**Chief Administrative Officer & Chief
People Officer**
Previously Chief Human Resources
Officer of OneBeacon Insurance
Group | Chief Human Resources
Officer at James River Insurance
Group

We go to market with eleven specialties⁽¹⁾⁽²⁾



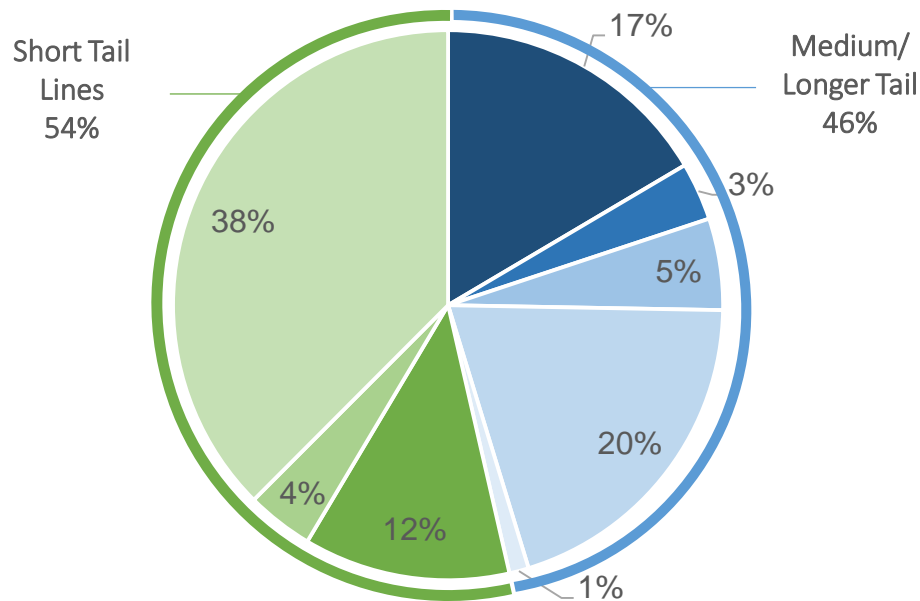
- Mining Industry
- Trucking Industry
- Construction Industry
- Pest Control Industry
- Energy Industry
- Captives & Programs
- Commercial Property
- Accident & Health
- Professional Liability
- E&S Brokerage
- Surety

(1) Net written premium for the trailing twelve months ended June 30, 2020.

(2) Excludes lines of business that were discontinued in 2020 – Monoline Workers’ Compensation, Lawyers and Insurance Agent Professional Liability.

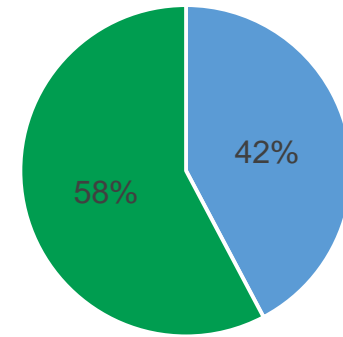
The business is highly diversified by line and production source, and is a balanced mix of admitted and surplus lines

**Line of Business Mix
Gross Written Premium⁽¹⁾⁽²⁾**



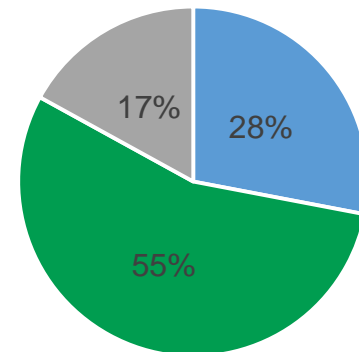
- General Liability - Occurrence
- General Liability - Claims Made
- Workers Compensation
- Auto Liability
- Surety
- A&H
- Auto Physical Damage
- Property

Admitted vs Surplus Lines⁽¹⁾⁽²⁾



- Admitted
- Surplus Lines

Distribution Source⁽²⁾⁽³⁾



- MGA
- Retail
- Wholesale

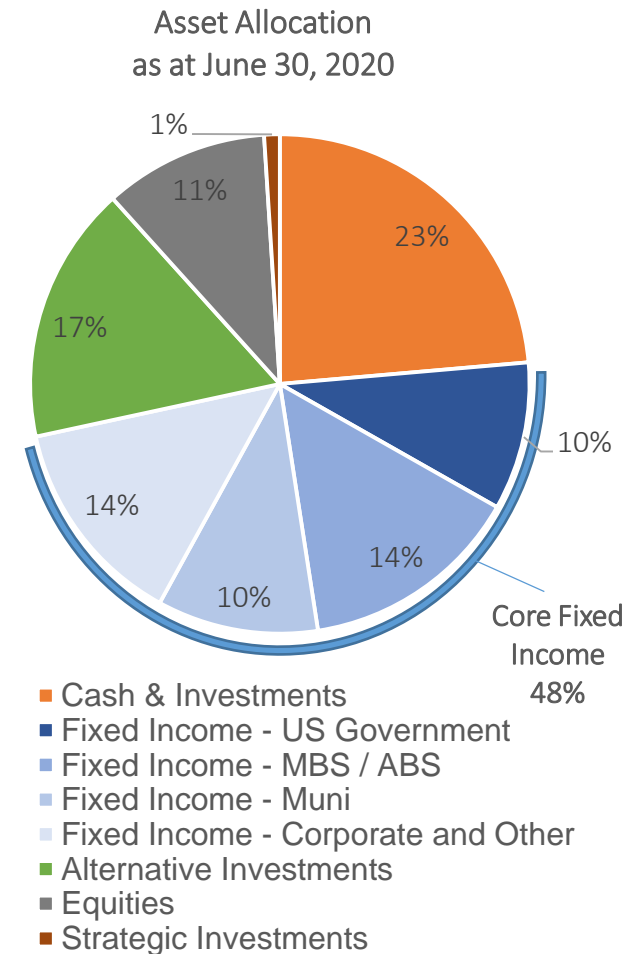
(1) Gross written premium for the trailing twelve months ended June 30, 2020.

(2) Excludes lines of business that were discontinued in 2020 – Monoline Workers' Compensation, Lawyers and Insurance Agent Professional Liability.

(3) Net written premium for the trailing twelve months ended June 30, 2020.

The investment portfolio is conservatively positioned

- The portfolio of \$636 million is comprised of core fixed income and short-term investments, cash & cash equivalents, equities, and alternative investments⁽¹⁾
- Conservative portfolio duration of approximately 1.9 years
- The tax equivalent yield for the investment portfolio was approximately 3.0% at June 30, 2020
- Weighted Average Credit Quality of AA+ for core fixed income portfolio, which is managed by New England Asset Management
- Alternative assets are comprised primarily of alternative credit investments managed by Arena Investors, L.P.
- Equity portfolio is primarily large-cap value with a domestic bias
- Barbell liquidity – significant cash & equivalents and short duration, coupled with less liquid, higher yielding investments managed by Arena Investors, L.P.



(1) Investment portfolio as defined excludes restricted cash and approximately \$40 million of cash used in insurance operations.

Agenda

- (Re) Introduction to HIIG
- **Incisive action to improve results**
- Strategy and direction to drive towards top quartile performance

Considerable actions during the past year position us for success

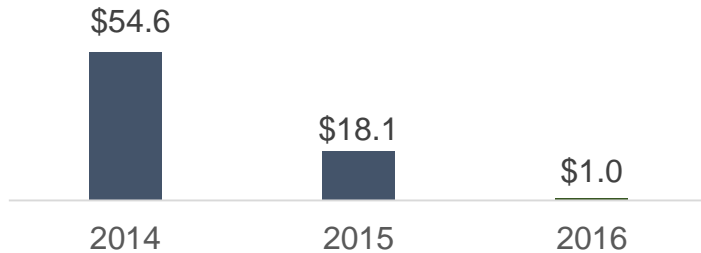
- Completed rights offering - raised \$100 million
- Executed loss portfolio transfer of insurance liabilities primarily for 2017 and prior policy years
- Acted to improve performance:
 - Drove a considerable amount of rate across all businesses
 - Targeted growth in segments with the best profitability prospects (e.g. Property, Heavy Equipment, Mining, Trucking)
 - Exited Monoline Workers' Compensation, exited Lawyers and Insurance Agents Professional Liability
 - Re-underwrote underperforming segments
- Added "A" leaders for Claims, Actuarial and Enterprise Analytics and deepened the quality of the team and bench throughout the organization
- Added two experienced independent directors to the Board (Don Larson and Jim Hays)
- Launched a new Liability and Property E&S business seeded with a deeply experienced high performing team
- Concluded CEO succession
- Received A- stable outlook from AM Best

Decisive action has been taken to improve underwriting - Construction Heavy Equipment example (1 of 2)

1

HIIG decided to exit the category entirely starting in 2015.

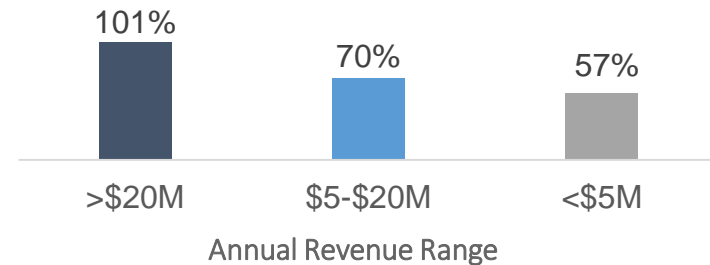
Gross Written Premium
(\$ in millions)



3

Subsequent analysis illustrated that loss experience varied materially by customer size...

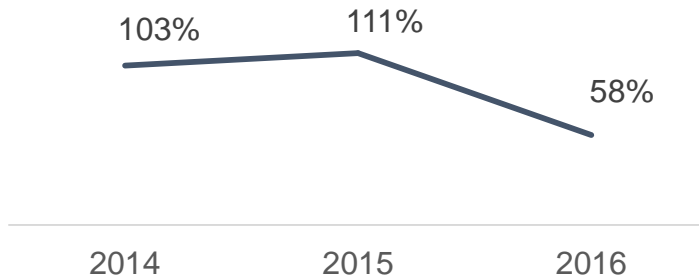
Ultimate Loss Ratio Mix
by Customer Size



2

HIIG's decision to exit the business was driven by poor loss experience for several years.

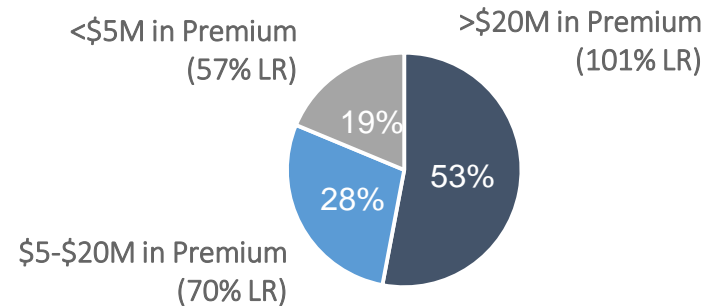
Ultimate Loss Ratio



4

...and that HIIG had been concentrated in the worst performing segments.

Historical GWP Mix by Customer Size

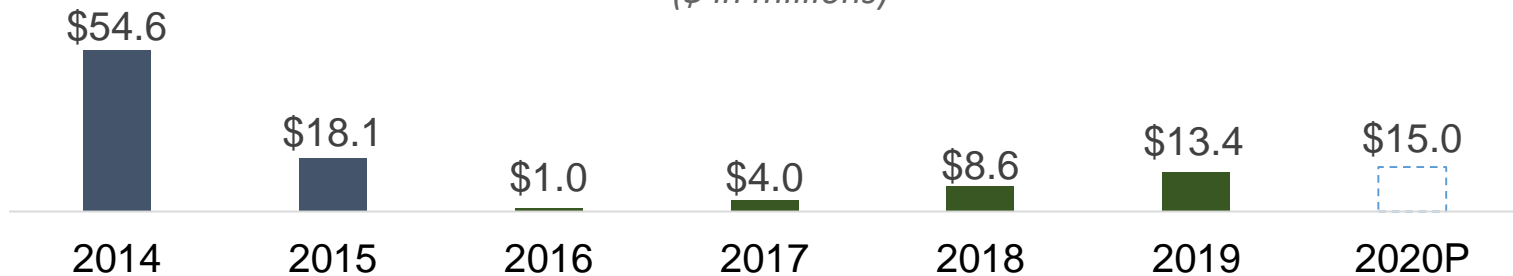


Decisive action has been taken to improve underwriting – Construction Heavy Equipment example (2 of 2)

1

HIIG cautiously re-entered the crane category starting in 2017, with a focus on smaller crane operators.

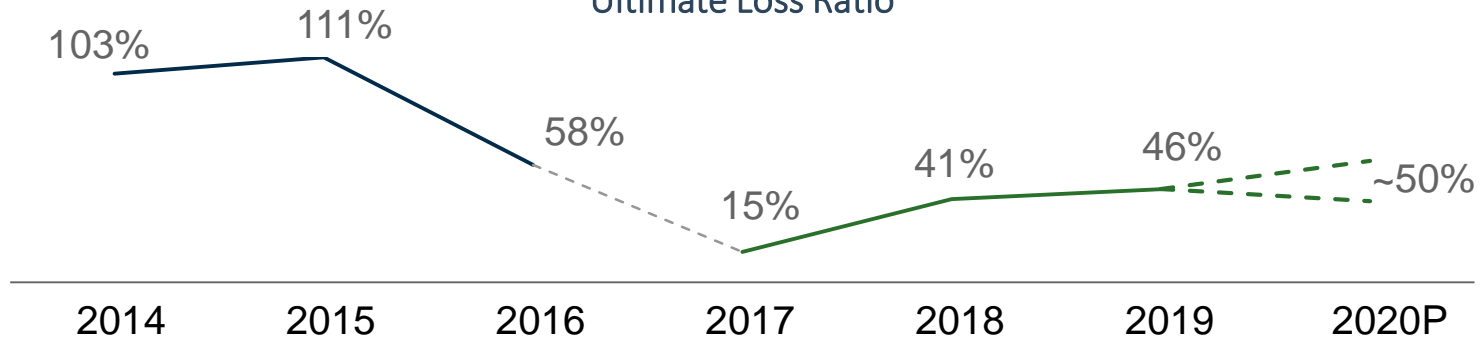
Gross Written Premium
(\$ in millions)



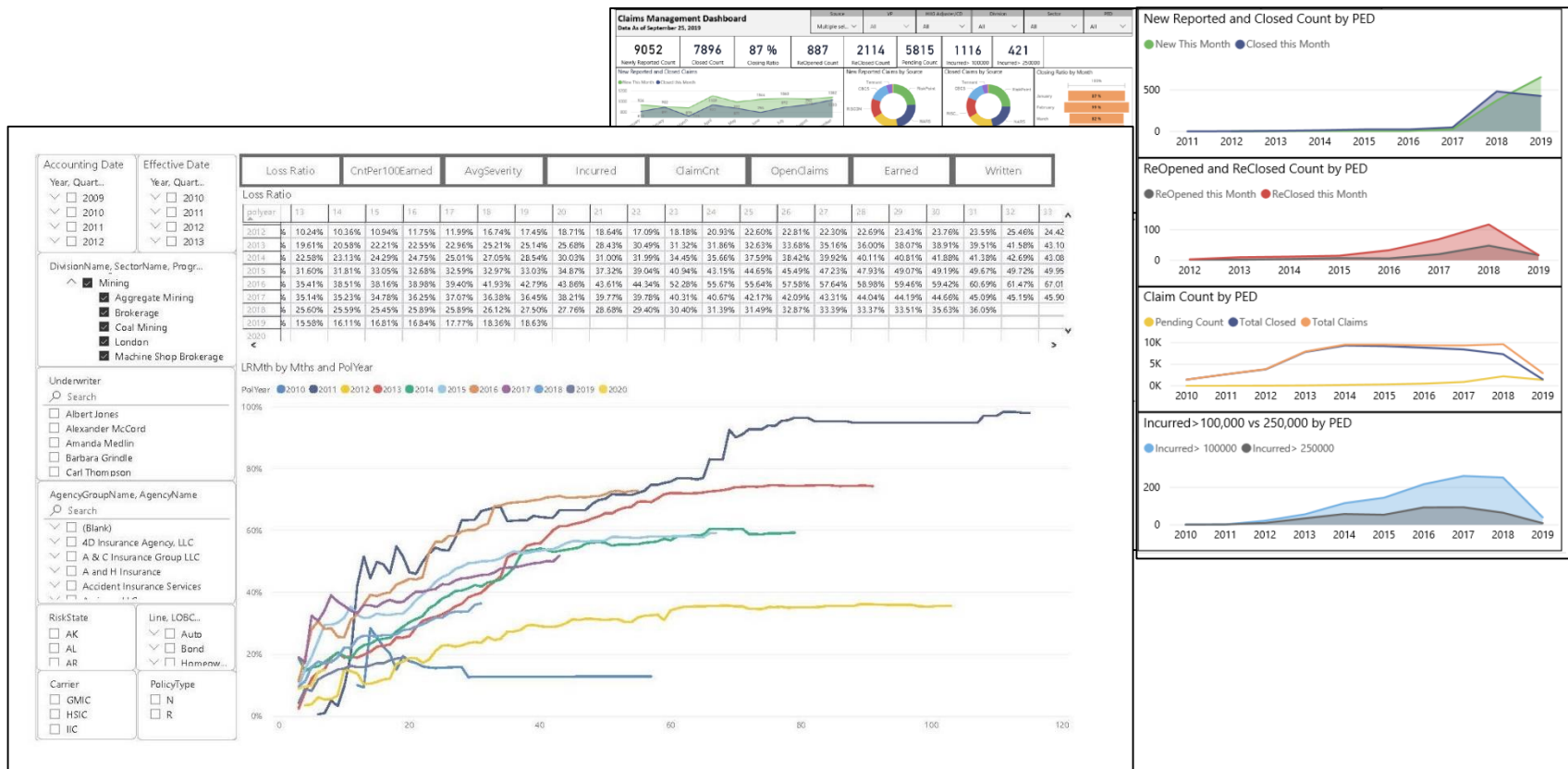
2

Since its re-entry, HIIG's loss experience has been much improved due to improved risk selection, pricing and risk management.

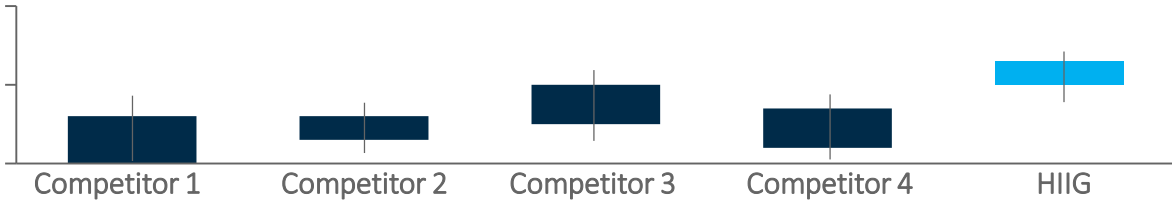
Ultimate Loss Ratio



Business intelligence efforts have armed HIIG's underwriters, claims professionals and actuaries with powerful real-time analytics



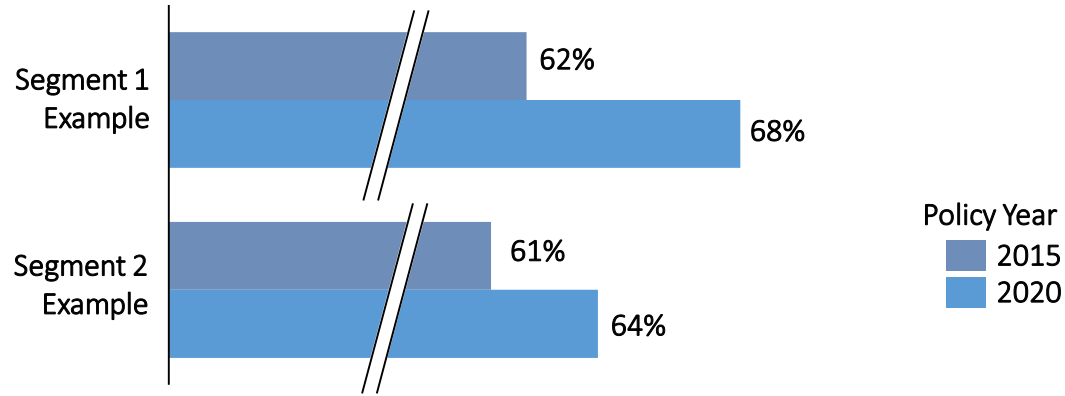
New growth efforts are targeted where we can build defensible positions - Regional Trucking is one such example

What We Do	<p>Target local and intermediate freight risks with 20-50 power units</p> <p>Focus principally on Western states and Texas currently; will broaden over time</p> <p>Go to market through strategic partnership with only 3 specialist distributors</p>												
Our Underwriting Advantage	<p>Write clean, highly desirable risks that are controlled accounts</p> <p>Employ rigorous underwriting due diligence:</p> <ul style="list-style-type: none">▪ Make extensive use of CAB (central analysis bureau)▪ Require access to driver data from DOT (may be the only carrier to do this)												
Risk Management & Claims Advantage	<p>Active monitoring of all in-force policies using CAB data</p> <p>Telematics required and extensively used</p> <p>Quick strike accident response – investigator on site in 2 hours</p> <p>Reinsurance limits severity to \$500K / loss</p>												
Priced for Target Returns	<p>Pricing for Better or Best Business – <u>15 - 100% per unit higher than top 4 competitors.</u></p>  <table border="1"><caption>Relative Pricing Comparison</caption><thead><tr><th>Competitor</th><th>Relative Price Range (vs. Competitor 1)</th></tr></thead><tbody><tr><td>Competitor 1</td><td>Baseline</td></tr><tr><td>Competitor 2</td><td>Lower than Competitor 1</td></tr><tr><td>Competitor 3</td><td>Higher than Competitor 1</td></tr><tr><td>Competitor 4</td><td>Higher than Competitor 1</td></tr><tr><td>HIIG</td><td>15 - 100% higher than top 4 competitors</td></tr></tbody></table>	Competitor	Relative Price Range (vs. Competitor 1)	Competitor 1	Baseline	Competitor 2	Lower than Competitor 1	Competitor 3	Higher than Competitor 1	Competitor 4	Higher than Competitor 1	HIIG	15 - 100% higher than top 4 competitors
Competitor	Relative Price Range (vs. Competitor 1)												
Competitor 1	Baseline												
Competitor 2	Lower than Competitor 1												
Competitor 3	Higher than Competitor 1												
Competitor 4	Higher than Competitor 1												
HIIG	15 - 100% higher than top 4 competitors												

Loss Picks and IBNR are now more conservative

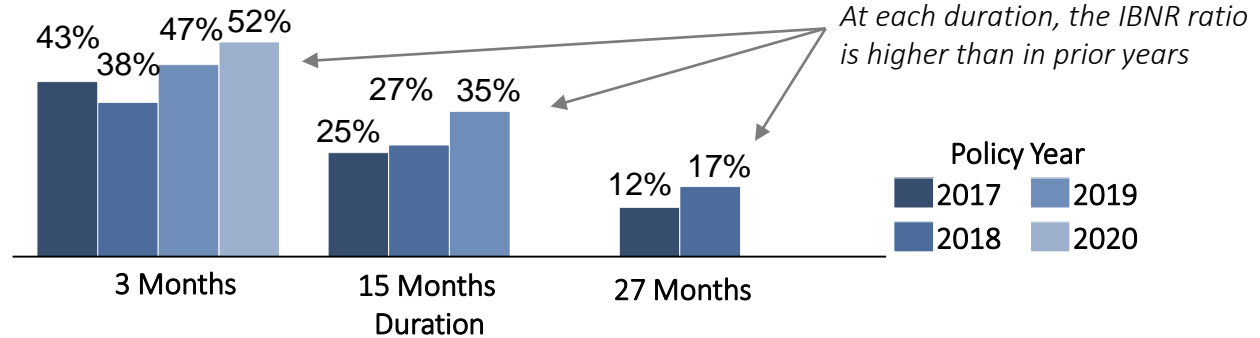
Loss Picks 2020 vs. 2015

More conservative loss picks than in prior years in order to mitigate the risk of adverse development.



Ratio of IBNR to Net Earned Premium by Duration

IBNR as a pct. of net earned premium is more conservative than in the recent past.

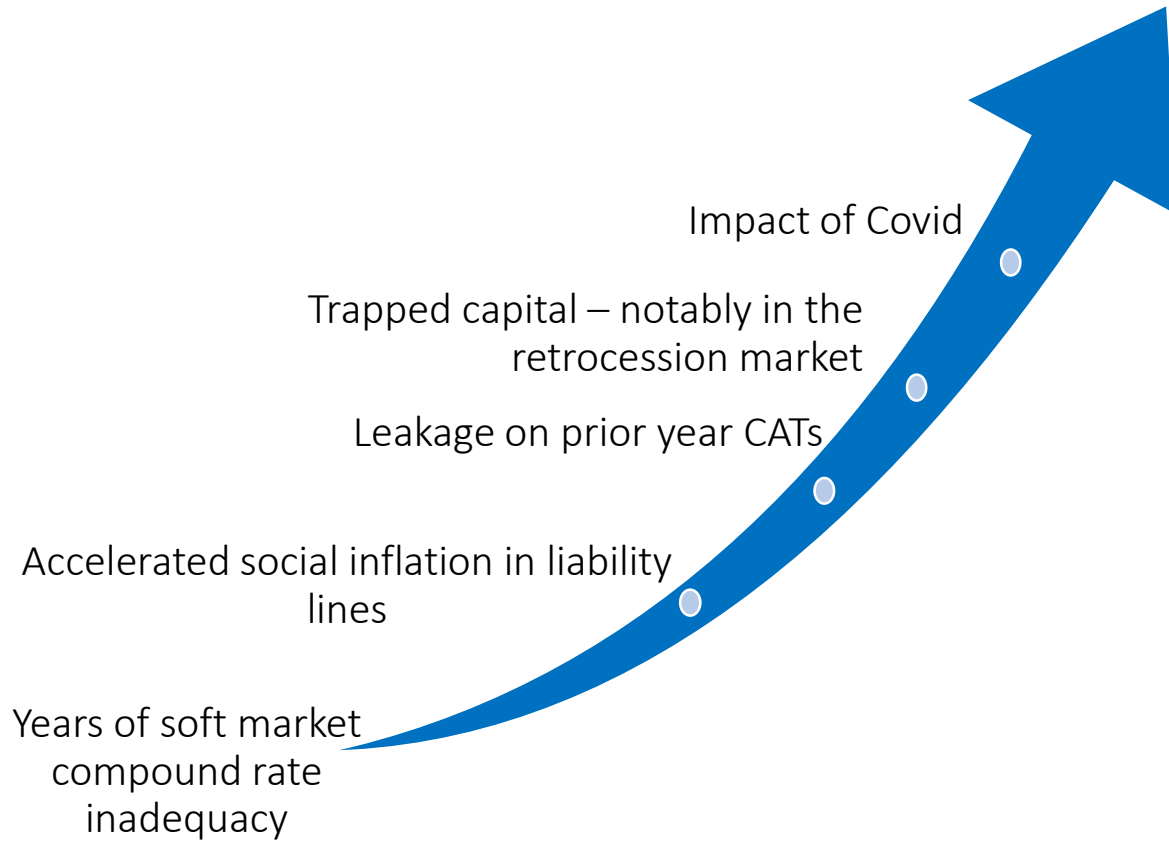


Agenda

- (Re) Introduction to HIIG
- Incisive action to improve results
- Strategy and direction to drive towards top quartile performance

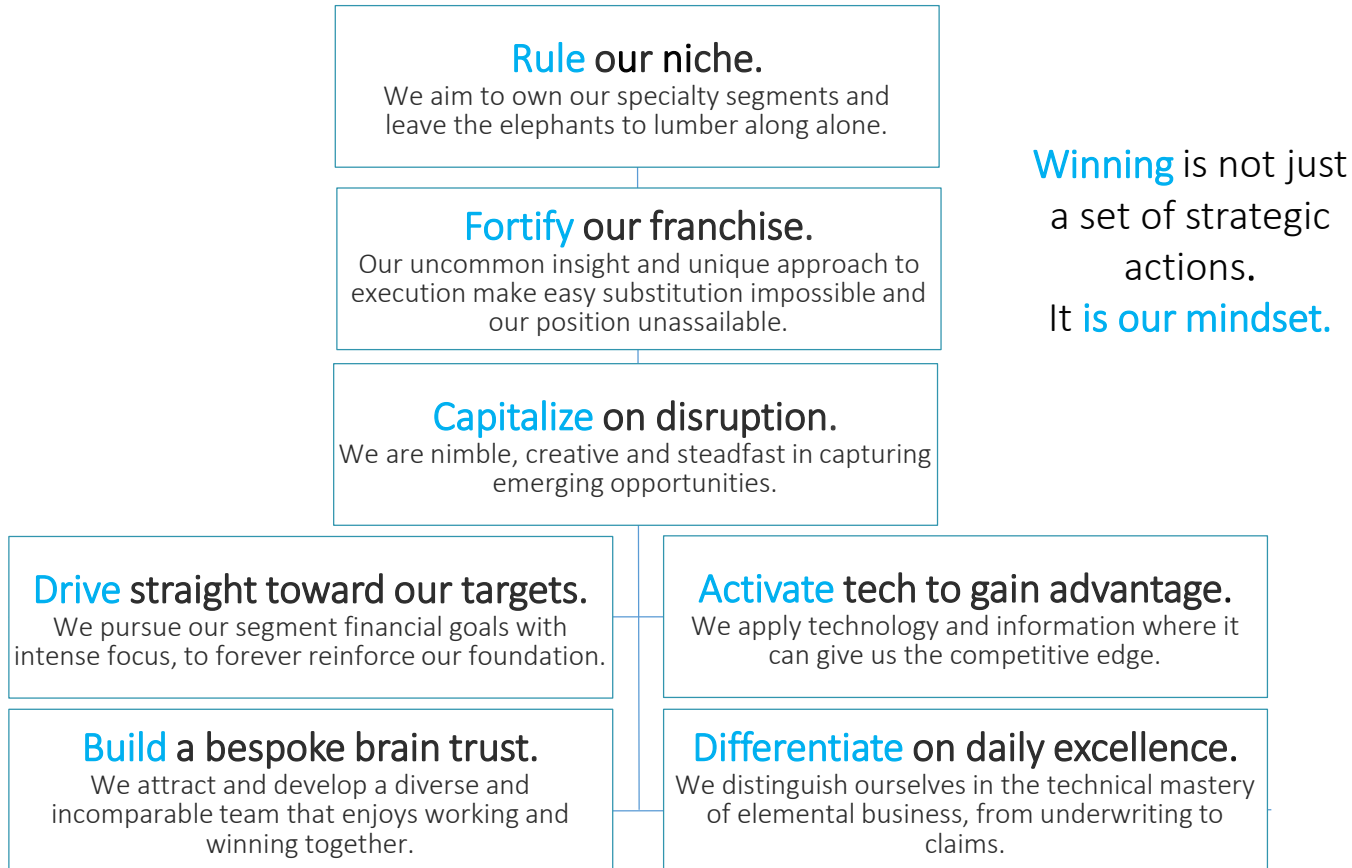
The market is disrupted – creating opportunity and demand for new capital

Constrained Capacity + Rate Recalibration for Target Returns



Over \$16BN of Equity and Debt Capital into Existing Competitors Since April

We have set in motion our strategy to win...



...And have strong prospects for profitable growth

- Expand Where Positioned for Growth
 - ✓ Mining
 - ✓ Surety
 - ✓ Professional Lines (management liability, financial institutions, miscellaneous professional)
 - ✓ Transactional Property
- Add Profitable Adjacencies
 - Inland Marine and Property in support of industries such as Mining
 - ✓ Public D&O (Excess to start)
 - E&O for Broker Dealers, Alternative Asset Classes, etc.
- Pursue New Specialties Aligned to Our Strategy
 - ✓ New wholesale brokerage focused Excess and Surplus business
 - New industry solutions (e.g. tech, life sciences, food and beverage, etc.)
 - Highly attractive program opportunities complimentary to target specialty lines and industries
 - Opportunistically respond to areas of future consideration (e.g. E&S Binding, Inland Marine, Product Recall, etc.)

We are laser focused on driving significant value

- Execute, execute, execute on our strategy
- Drive towards top quartile combined ratio in every segment across all business cycles
- Target accretive growth in all facets of our business
 - Increased risk retention
 - Organic growth in existing underwriting portfolio
 - New categories/niches
 - Acquisitions
- Manage capital efficiently while improving portfolio returns
 - Drive underwriting portfolio that maximizes earnings and minimizes capital consumption and volatility
 - Pursue investment strategy that maximizes returns while minimizing market and liquidity risk and rating and regulatory capital charges

We spark potential by shifting specialty risk to a safer place

To be the specialty insurance company where great people want to work, the best partners and customers bring their business, and top-tier performance ensues.



ARENA
INVESTORS LP

September 2020



[CLICK HERE TO VIEW](#)



Arena Investors is an institutional asset manager that provides creative solutions for those seeking capital in special situations.



Deep, experienced and stable team	Strength of origination	Underwriting and servicing
Robust process and proprietary infrastructure		Diversification and consistency

ABOUT ARENA INVESTORS⁽¹⁾

\$1.5B
Assets Under Management

~\$194M
Of AUM is employee and related capital

58
Full-time employees

Offices in New York, Jacksonville, San Francisco, Dublin, and London

\$2.1B
Deployed into 189 illiquid transactions since launch in 2015

(1) The assets under management of Arena, including capital committed but not yet deployed, as of September 1, 2020. All other information presented in this presentation is as of June 30, 2020 unless otherwise noted. The Jacksonville and Dublin offices are used by an Arena affiliate, Quaestor Advisors LLC.

Three sources of edge produce a highly diversified and uncorrelated portfolio of investments with consistent returns for investors.

MANDATE FLEXIBILITY	PROPRIETARY SOURCING	SERVICING & SYSTEMS
Multi-strategy approach to investing that is credit and asset-oriented and a flexible mandate allows Arena to avoid areas that are overheated.	Dan Zwirn (CEO/CIO) has 25 years of experience in over 3,000 privately negotiated investments in 25 countries.	Robust process and proprietary infrastructure built over 15 years ⁽¹⁾
Transaction sizes range from ~\$5M to \$50M, where competitive pricing is minimized.	Senior investment team has an average of 24 years of experience sourcing and structuring opportunities in different market cycles.	Arena has asset servicing personnel to monitor, assess, value, and step into investments.
Investments are structured to minimize downside risk and stress tested to withstand crisis conditions.	Opportunities are sourced through a global network of relationships that have been developed over nearly 30 years .	
Broad diversification: avoid concentration, maximize consistency, minimize downside risk.		

(1) IT systems were developed and used at firms prior to the inception of Arena Investors, LP.

Six areas of focus that allow Arena to pivot to the most compelling opportunities:

CORPORATE PRIVATE CREDIT - e.g., small entrepreneur-owned businesses with protected franchises or hard assets such as receivables, equipment, or energy reserves.

REAL ESTATE PRIVATE CREDIT - e.g., short-term and bridge loans backed by quality land and properties.

COMMERCIAL & INDUSTRIAL ASSETS - e.g., factoring, litigation finance, entertainment finance, aviation, royalties, and mineral rights.

STRUCTURED FINANCE - e.g., purchasing loans and other hard collateral through securitized structuring, distressed ABS.

CONSUMER ASSETS - e.g., residential mortgages, auto loans, other consumer obligations.

CORPORATE SECURITIES – Arena can originate in both the public and private markets that have a defined exit point, giving Arena the best chance of finding optimal risk/reward; e.g., mispriced or undervalued corporate bonds, bank and corporate debt, and other securities.



Arena Investors opens in New York and San Francisco.

Launch of **Arena Special Opportunities (Cayman) Fund** for offshore investors.

\$1B
AUM⁽¹⁾



QUAESTOR
ADVISORS LLC

\$1.5B
AUM⁽¹⁾

\$2B+ capital deployed into 189 illiquid transactions since inception.

\$200M

Creation of Arena Family of Funds in conjunction with Westaim.

Income Account Strategy launched for insurance clients.

Arena Investors opens in London.

Excess Capacity Vehicle launched: Arena New Zealand Real Estate Credit Fund I.

58 Full-time employees.

2015

2016

2018

2019

2020



(1) The assets under management of Arena, including capital committed but not yet deployed.

CAMERON MACDONALD
CEO – Westaim

DANIEL ZWIRN
CEO, CIO

LAWRENCE CUTLER
COO

INVESTMENTS

SHAHID RAMZAN
MD, Corporate Securities

DON MOSES
MD, Real Estate Private Credit

DAVID DISQUE
MD, Structured Finance

YOAV STRAMER
VP, Corporate Securities

BRYAN GROSS
Director, Real Estate Private Credit

VICTOR DUPONT
Director, Structured Finance

ABHI BOTHA
Sr. Associate, Corporate Securities

ANDREW RAFKIN
Sr. Assn., Real Estate Private Credit

VIVEK NAYAR
Director, Structured Finance

TIM ZEIGER
MD, European Illiquid Investments

JOSEPH ZHONG
Associate, Real Estate Private Credit

REPTON SALISBURY
Analyst, Structured Finance

DAVID BERNATOWICZ
Associate, European Illiquid Investments

SCOTT GOLD
MD, Corporate Private Credit

JAMES ZHANG
Analyst, Structured Finance

RUVEN SHAFIR
MD, European Illiquid Investments

JAKE SUSSMAN
VP, Corporate Private Credit

GREG WHITE
Director, Energy

DIMITRIOS LAUDIS
Analyst, European Illiquid Investments

HENRY CHANG
VP, Corporate Private Credit

MARK RICCIARDI
Associate, Corporate Private Credit

BUSINESS DEVELOPMENT

PARAG SHAH
MD, Head of Business Development

JAMES KINGRY
Associate, Business Development

LINDSAY SHEPHERD
Associate, Business Development

CAPITAL MARKETS

DARIUS SAIB
svr, Director of Capital Markets

ASSET MANAGEMENT

JOHN FELLETTER
MD, Head of Asset Management

VINCENT DEVITO
SVP, Structured Finance Asset Management

ROBERT WILLIS
SVP, Real Estate Asset Management

ELVIN ANCHIPOLOVSKY
VP, Asset Management

LARRY FOX
VP, Transaction Manager, Asset Management

JEFFREY FERRIS
VP, Asset Management

ANA SOPHIA LLANO TAMAYO
Associate, Asset Management

ARENA EF DAC

EAMONN MCINERNEY
SVP, Asset Management

OPERATIONS

PATRICK VANCE
SVP, Operations

RON PETROSKY
VP, Operations

DANIEL DOHERTY
AVP, Operations

LINDA SUPASWUD
VP, Loan Operations

TIMOTHY SWIGER
VP, Loan Operations

ALAN GROFF
AVP, Operations

JOSHUA CANTER
Associate, Loan Operations

TECHNOLOGY

RYAN HOUSER
Mn, Chief Technology Officer

JENCY JACOB
SVP, Senior Software Engineer

FINANCE

PAUL SEALY
MD, CFO

JENNIFER VAN HETTINGA
SVP, Fund Controller

JACQUELINE PATRELL
AVP, Assistant Controller

TIMOTHY NEWVILLE
SVP, Director of Finance

MICHELLE WANG
AVP, Accounting

LIDIA LOFTIN
AVP, Accounting

JENNIFER GALLARDO
AVP, Assistant Controller

PAUL KENNEDY
VP, Tax Manager

COMPLIANCE

KRISTAN GREGORY
MD, COO

JYOTI PANJWANI
VP, Compliance

HR AND ADMINISTRATION




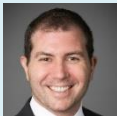

ALICIA FERRARO
VP, Sr. Exec. Assn., Office Manager & Dir. HR

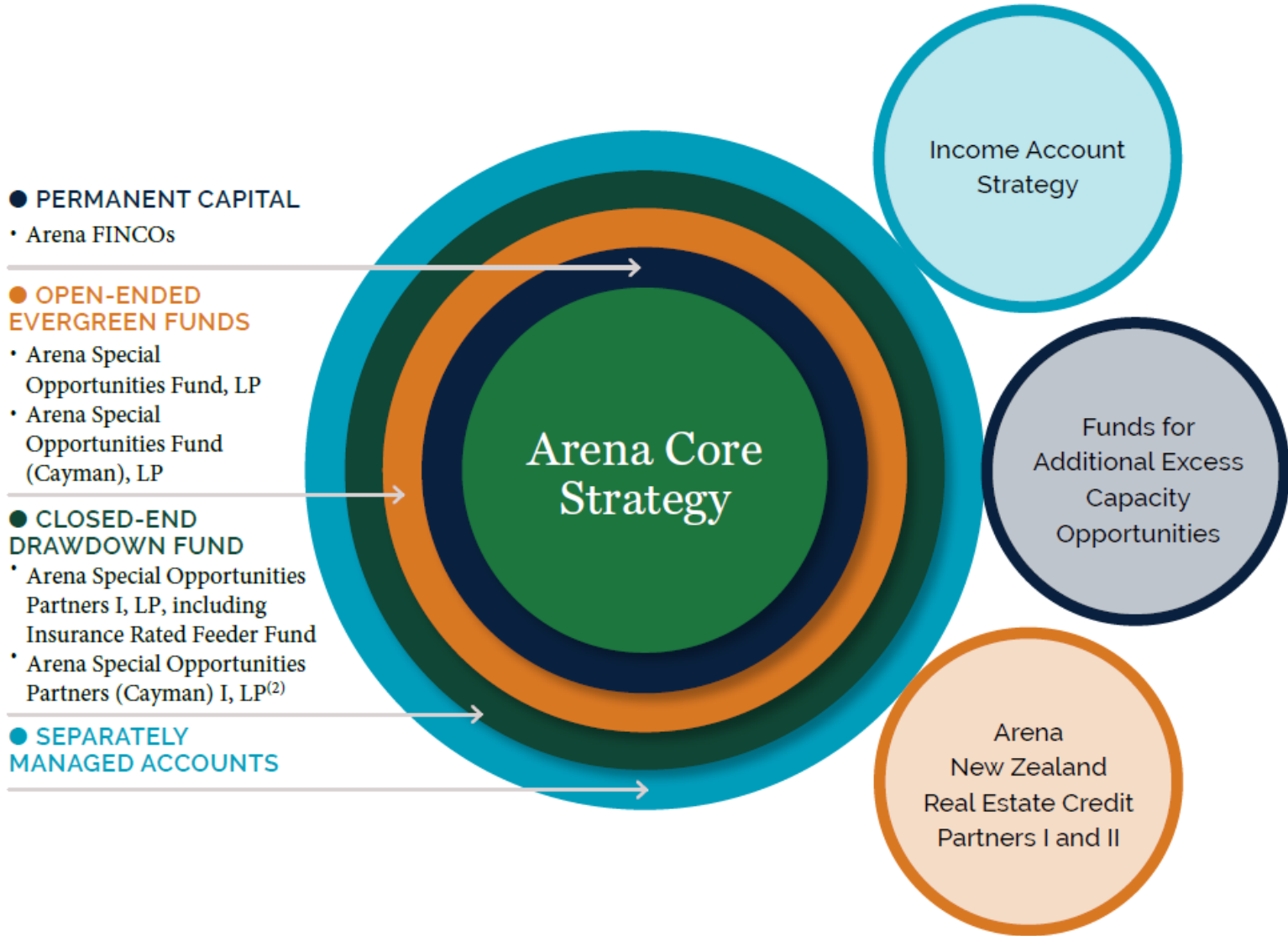
CRYSTAL LOVE
Executive Assistant

HANNI CHEN
Executive Assistant

ALLISON RODRIGUEZ
Jr. Executive Assistant

Name	Title	Years of Experience	Previous Experience
Daniel Zwirn 	Chief Executive Officer, Chief Investment Officer	26	D.B. Zwirn & Co./Highbridge Capital Management, LLC; MSD Capital, L.P.; Davidson Kempner Partners
Lawrence Cutler 	Managing Director, Chief Operating Officer	27	D.B. Zwirn & Co.; Pequot Capital Management; UBS Global Asset Management; INVESCO Institutional Group; PricewaterhouseCoopers; US Securities & Exchange Commission
Paul Sealy 	Managing Director, Chief Financial Officer	26	Cerberus Capital Management; MatlinPatterson Capital Management; Goldman Sachs, Inc.; Deloitte
Kristan Gregory 	Managing Director, Chief Compliance Officer	16	HPS Investment Partners; Bain Capital; Putnam Investments
Don Moses 	Managing Director, Head of US Real Estate Private Credit	32	D.B. Zwirn & Co.; Bridgeway Partners; CapitalSource Finance; Bank of America; Wells Fargo
Shahid Ramzan 	Managing Director, Liquid Credit	25	D.B. Zwirn & Co.; HBK London; Caspian Securities; Fortensa Special Opportunities Fund
John Felletter 	Managing Director, Head of Quaestor/Asset Management	36	Arbor Realty Trust; UBS/Dillon Read Capital Management; Capital Trust; J.E. Robert/Goldman Sachs Joint Venture; Resolution Trust Corporation; Citibank

Name	Title	Years of Experience	Previous Experience
Scott Gold 	Managing Director, Head of Corporate Private Credit	21	Alcentra Capital; Islandnet
David Disque 	Managing Director, Head of Structured Finance	22	Global Atlantic; Deutsche Bank; UBS/Dillon Read Capital Management
Ryan Houser 	Managing Director, Chief Technology Officer	22	D.B. Zwirn & Co.; Lehman Brothers
Tim Zeiger 	Managing Director, European Illiquid Investments	18	Ares Management Ltd; Värde Partners; US Bancorp Piper Jaffray
Ruven Shafir 	Managing Director, European Illiquid Investments	18	Patron Capital Partners; NY Credit Advisors; Lehman Brothers
Parag Shah 	Managing Director, Head of Marketing	18	Bridgewater Associates



(1) All vehicles are asset-liability matched with respect to redemptions.

(2) Anticipated launch in 3Q 2020.

Platform Fully Constructed

- Global senior staff in place
- Infrastructure and entities fully established and operational
- Platform of product offerings complete
- In process to secure appropriate financing for capital pools

Proven Performance

- \$2.1B+ deployed into 189 illiquid transactions
- 91 exited illiquid investments with a realized IRR of 18.0%⁽¹⁾
- The portfolio has had positive results in 54 of the 57 months since inception⁽²⁾.
- Consistent and uncorrelated performance; stable results through COVID-19

Driving Third-Party Assets Under Management

- Arena's assets under management⁽³⁾ have grown at a compound annual growth rate of 51% from December 2015 through August 2020
- \$1.5 billion in assets under management⁽³⁾ and growing

Well Positioned To Drive Operating Leverage

- Now reaching a point where future growth will have significant operating leverage as fee-paying AUM grows
- Focused on driving valuable fee-related earnings and cash flow for distribution

(1) 98 active positions have an underwritten IRR of 17.2% and a current IRR of 10.3%. Current IRR reflects all investment activity, i.e. prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through 6/30/2020. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

(2) Through June 30, 2020 and based on composite performance, see slide 45 and Important Disclosures on slide 4. Past performance is not indicative of future performance. Actual results may vary.

(3) AUM includes undrawn commitments for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit Partners I and II).

Recurring revenue growing, while fixed operating expenses are stable given platform has been fully built. With recurring revenue close to exceeding expenses, Arena is now reaching a point where future growth is well positioned to drive significant operating leverage.

(dollars in millions) FY 2017 FY 2018 FY 2019 YTD Q2 2020

Recurring Income

Management / Servicing Fees	\$ 4.7	\$ 9.5	\$ 18.7	\$ 9.7
Administrative Fees (MSA)	5.3	4.2	-	-
Other Income	0.7	-	0.3	0.1
Recurring Income	\$ 10.7	\$ 13.6	\$ 19.0	\$ 9.8
Operating Expenses	(18.1)	(18.3)	(22.5)	(11.2)
Fee Related Earnings (Loss)	(\$ 7.4)	(\$ 4.7)	(\$ 3.5)	(\$ 1.4)

Incentive Income

Incentive Fees ¹	\$ 4.8	\$ 7.5	\$ 9.6	\$ 0.7
Incentive Fee Compensation ²	(3.6)	(4.0)	(5.2)	(1.0)
Net Incentive Fees	\$ 1.2	\$ 3.5	\$ 4.4	(\$ 0.3)

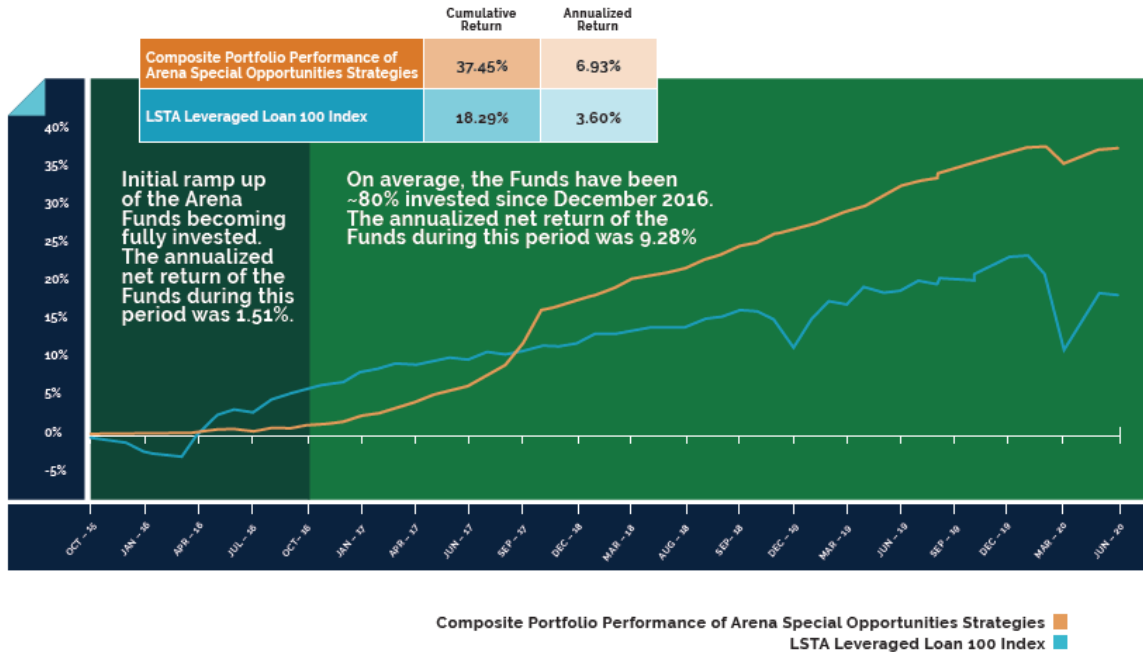
Net Income

EBITDA	(\$ 6.3)	(\$ 1.2)	\$ 0.9	(\$ 1.7)
Depreciation	(0.1)	(0.1)	(0.1)	(0.1)
Interest Expense	(0.3)	(0.9)	(1.0)	(0.5)
Net Income (Loss)	(\$ 6.6)	(\$ 2.2)	(\$ 0.2)	(\$ 2.3)

(1) Includes hypothetical incentive fee for Arena FINCOs from FY 2017 to FY 2018. Calculated amount is reclassified from Administrative Fees to Incentive Fees (related to fees earned prior to conversion of fee structure to standard investment management fees).

(2) Arena is under no contractual obligation (past or future) to pay Incentive Fees earned to employees.

Arena's core investment strategy seeks to build a highly diversified and uncorrelated portfolio of investments. Consistent performance including stable performance during COVID-19. Our five-year track record has also outperformed the LSTA Leveraged Loan 100 index on a cumulative return basis.



\$2.1B+ deployed into 189 illiquid transactions.

98 active and 91 exited illiquid investments with a gross current IRR of 10.3% and realized IRR of 18.0%.⁽²⁾

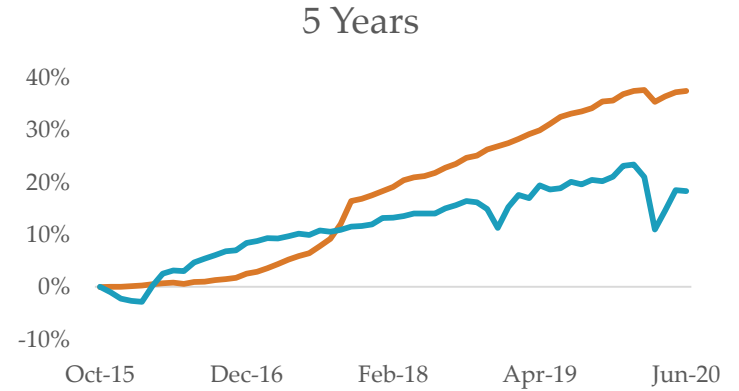
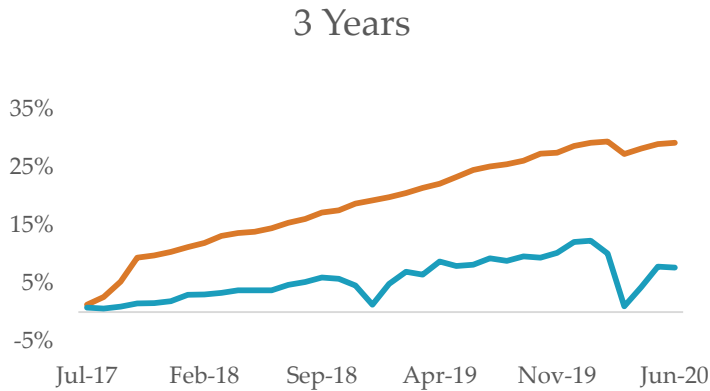
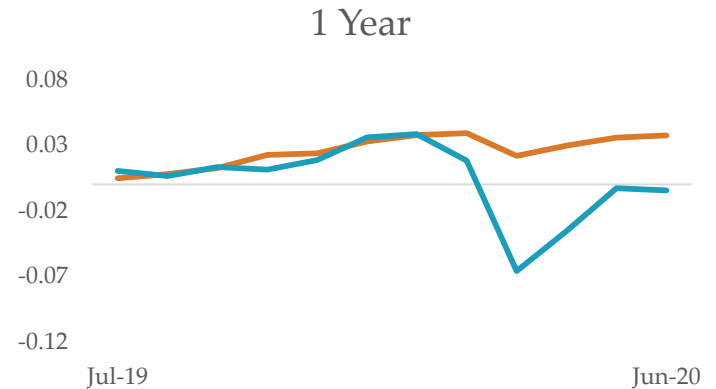
4 losses in investments comprising \$19.4M of total NAV with a \$2.4MM total loss.

www.arenaco.com

(1) Index returns are presented gross of any expenses or fees. This composite is comprised of one onshore open-ended fund and one offshore open-ended fund, which commenced operations on October 1, 2015 and March 1, 2016, respectively. For the period from March 1, 2016 until September 30, 2018, the offshore fund received an expense subsidy for monthly expenses in excess of 0.10% of NAV. Net returns reflected are for Arena's stated fees of 2.0% per annum management fees and annual performance fees of 20%, which represent the standard fees charged to investors. Cumulative returns are not annualized. Past performance is not indicative of future performance. Actual results may vary.

(2) 98 active positions have an underwritten IRR of 17.2% and a current IRR of 10.3%. Current IRR reflects all investment activity, i.e. prior actual cash flows and future projected cash flows (which are discounted as of the reporting date), from the inception of each applicable investment through 6/30/2020. The current IRR may not be representative of the realized IRR upon exit of each investment, which may increase or decrease.

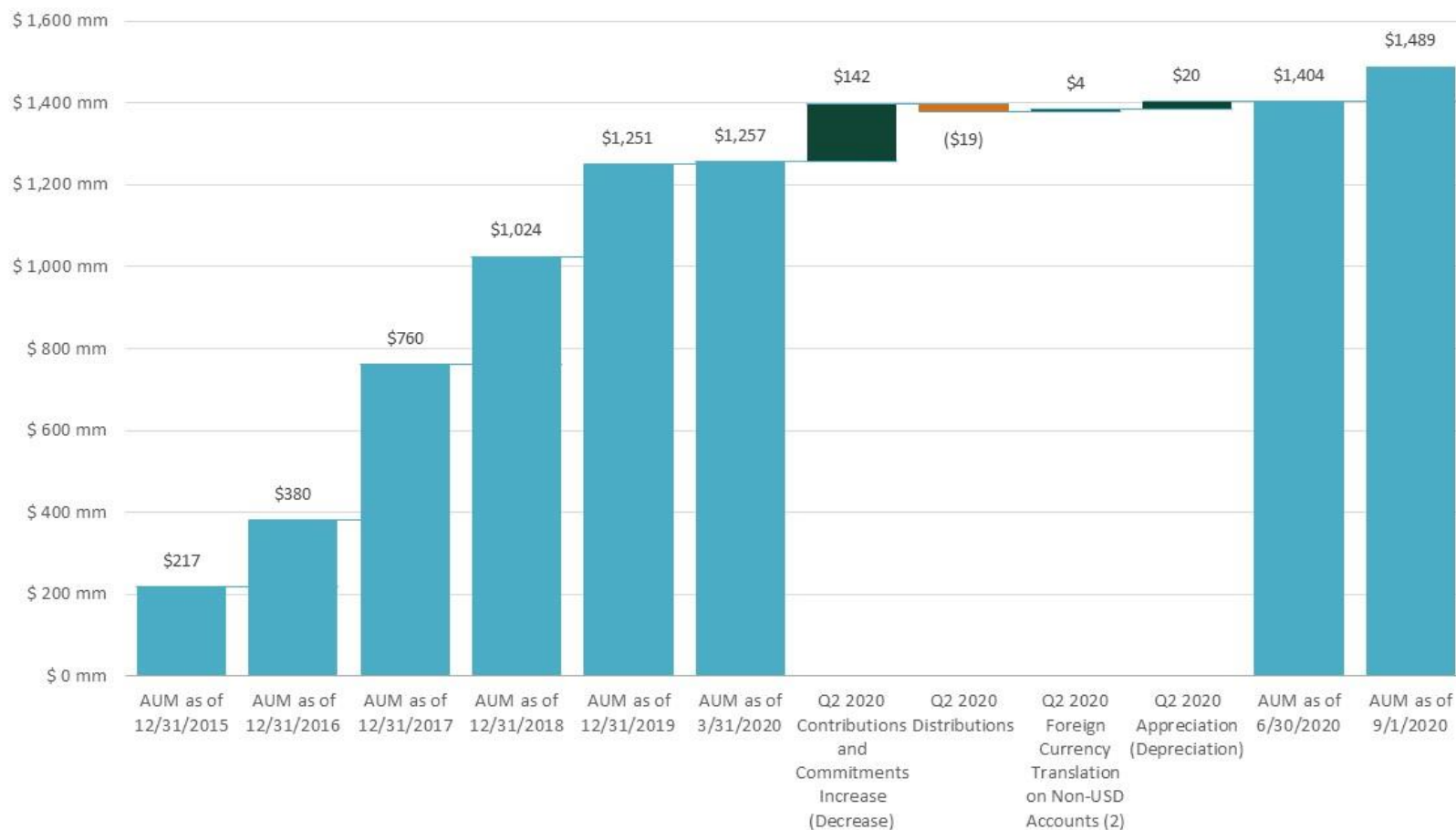
The same is true over other time periods.



— Composite Portfolio Performance of Arena Special Opportunities Strategies — LSTA Leveraged Loan 100 Index

(1) Index returns are presented gross of any expenses or fees. This composite is comprised of one onshore open-ended fund and one offshore open-ended fund, which commenced operations on October 1, 2015 and March 1, 2016, respectively. For the period from March 1, 2016 until September 30, 2018, the offshore fund received an expense subsidy for monthly expenses in excess of 0.10% of NAV. Net returns reflected are for Arena's stated fees of 2.0% per annum management fees and annual performance fees of 20%, which represent the standard fees charged to investors. Cumulative returns are not annualized. Past performance is not indicative of future performance. Actual results may vary.

Arena’s assets under management¹ have grown at a compound annual rate of 51% from December 2015 through August 2020. The primary growth during Q2 2020 was due to increased commitments for the Arena Closed-End Fund (launched 3/1/2020). Additional growth reflects performance related appreciation of Arena’s core strategy and excess capacity funds.



(1) AUM includes undrawn commitment for closed-end, SMA, and Excess Capacity Funds (New Zealand Real Estate Credit Partners I and II).

(2) Foreign currency fluctuations on NAV for accounts reported in currencies other than USD

In the last twelve months, Arena completed the build-out of its platform of offerings with the addition of a Closed-End Fund and Excess Capacity Funds. Future growth in assets under management will come from scaling these offerings with existing and prospective investors.

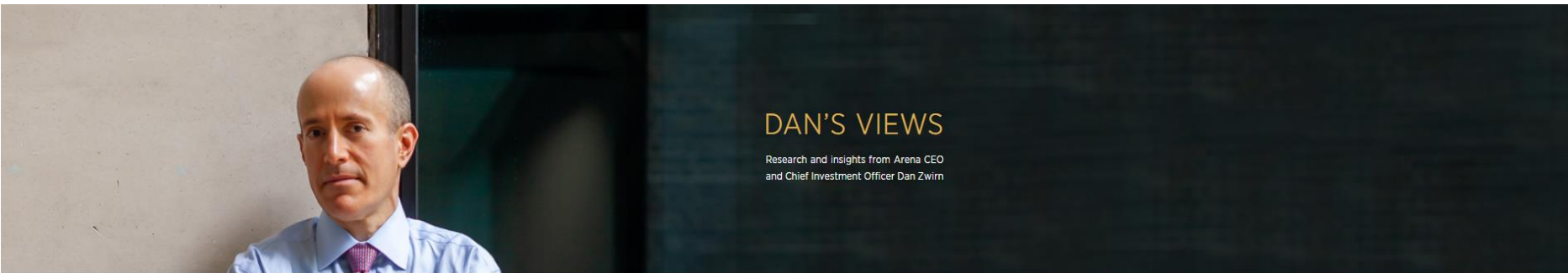
Q2 2020 Quarterly Total AUM Rollforward

	Arena Core Strategies				Add On Opportunities		Total
	Permanent Westaim Capital Arena FINCOs	Arena Open-End Funds	Arena Closed-End Funds ³	Separately Managed Accounts ⁴	Income Account Strategy ⁵	Excess Capacity Funds (NZ REC Partners)	Total
(dollars in millions)							
March 31, 2020	167.8	269.4	66.1	575.8	82.9	94.7	1,256.8
Contributions	-	2.1	6.0	-	0.3	11.6	19.9
Distributions / Withdrawals ⁶	-	-	(4.5)	(10.0)	(4.5)	-	(19.0)
Commitment Increases / (Decreases) ¹	-	-	129.5	-	4.2	(11.6)	122.1
Foreign Currency Translation on Non-USD Accounts ²	-	-	-	-	-	4.3	4.3
Net P&L	1.5	4.8	0.8	10.1	0.4	2.0	19.6
June 30, 2020	169.3	276.3	197.9	575.9	83.3	101.1	1,403.8

Q2 2020 Year-to-Date Total AUM Rollforward

	Arena Core Strategies				Add On Opportunities		Total
	Permanent Westaim Capital Arena FINCOs	Arena Open-End Funds	Arena Closed-End Funds ³	Separately Managed Accounts ⁴	Income Account Strategy ⁵	Excess Capacity Funds (NZ REC Partners)	Total
(dollars in millions)							
December 31, 2019	206.2	259.9	-	596.6	89.0	101.2	1,252.9
Contributions	-	16.6	41.5	-	1.0	30.2	89.3
Distributions / Withdrawals ⁶	(35.0)	(2.3)	(4.5)	(19.6)	(11.9)	-	(73.3)
Commitment Increases / (Decreases) ¹	-	-	160.1	(0.7)	4.2	(30.2)	133.3
Foreign Currency Translation on Non-USD Accounts ²	-	-	-	-	-	(3.6)	(3.6)
Net P&L	(1.9)	2.1	0.9	(0.4)	1.0	3.5	5.2
June 30, 2020	169.3	276.2	197.9	575.9	83.4	101.1	1,403.8

- (1) Includes impact of foreign currency fluctuations on uncalled commitments for accounts reported in currencies other than USD.
- (2) Foreign currency fluctuations on NAV for accounts reported in currencies other than USD.
- (3) Numbers above are as of 6/30/2020. Arena Closed-End Fund fee-paying AUM and Commitments as of 9/1/20 were \$299.0 million.
- (4) Separately Managed Accounts include both Discretionary and Non-Discretionary Mandates.
- (5) Income Account Strategy consists of SMAs only.
- (6) Withdrawals also include payment of crystallized incentive fee allocation and deferred employee compensation to the general partner and its affiliate.



RESEARCH

Daniel Zwirn, Jim Kyung-Soo Liew and Ahmad Ajakh | Published in *The Journal of Fixed Income*, Fall 2019

This Time *Is* Different, but It Will End the Same Way

Unrecognized Secular Changes in the Bond Market since the 2008 Crisis That May Precipitate the Next Crisis

- Part 1: Abstract & Introduction
- Part 2: Lack of market-making and regulatory changes that will impede price discovery in the next downturn
- Part 3: Masking deterioration of the underlying collateral and rearview mirror analysis
- Part 4: Rating agencies are playing new versions of the same old games
- Part 5: Explosion in asset-liability mismatched fund structures
- Part 6: Regulatory changes in compliance oversight within financial institutions
- Part 7: Conclusions

VIEWS



Credit Veteran Dan Zwirn Sees More Pain Ahead

21-Aug-20



Dan Zwirn on the State of Credit: 'Amend, Extend and Pretend'

5-Aug-20



Brave New Credit World — with Dan Zwirn of Arena Investors

21-Jul-20



"Extend and Pretend": Moral Hazard in the Debt Markets

18-Jun-20



Crisis Talk — with Dan Zwirn of Arena Investors

21-May-20



Pandemic Puts Private Lenders to the Test

23-Mar-20



The Westaim Corporation

Westaim Strategy: Build and Evolve the Platform

Opportunistic Investing	Invest in businesses with attractive fundamentals and business economics targeting a 15% IRR on invested capital
Partnership Approach	Partner with aligned and capable management teams
Business Building	Provide strategic oversight, capital allocation discipline and operating assistance
Long-Term Horizon	Execute business plan with a focus on long-term performance Focus on the long-term to take advantage of permanent capital – needs will dictate the time horizon required for the business
Asset Management	Continue to evolve Westaim further into asset management in order to accelerate value creation
Insider Alignment	Insiders own 19% of the common shares outstanding and are aligned with shareholders to drive share price performance

Westaim is Entering the Third Inning of a Long-term Game

ACQUIRE AND FUND

- Sourcing platform acquisitions of HIIG and Arena
- Acquiring and structuring to provide alignment of interests



2014-2015

BUILD

- **HIIG:** Put in a position to take advantage of hard market
- **Arena:** Platform now fully built out and prepared to scale
- **Proprietary Capital:** Strategically support businesses to put them in the best position to profitably grow

2016-2019

EVOLVE

- Laser focused on driving operating results
- Build out asset management platform
- Transition to demonstrating earning power of platform
- Aim to close gap between share price and intrinsic value

2020+

HIIG: Well Positioned for Increasing Returns

Goal: Top Quartile Growth in Book Value per Share



Underwriting Profitability

- LPT and conservative loss picks mitigate adverse prior period reserve development
- Market is hardening – double digit rate increases in several lines
- Re-underwriting and changing product mix

Capital Efficiency

- Balance use of debt, equity and reinsurance to optimize capital allocation
- Maintain A- (stable) rating; goal to obtain A rating over time

Investment Return

- Challenging investment environment with 10-year treasury at 0.7%⁽¹⁾
- Arena Investors making significant contribution to investment returns
- Barbell approach allows HIIG to take advantage of opportunities

Drive increasing return on equity and expanded valuation multiple

(1) At September 18, 2020.

Arena FINCOs: Consistent Returns; Solid Performance through Covid-19 Volatility



For the year ended and year-to-date	December 31, 2017	December 31, 2018	December 31, 2019	YTD June 30, 2020
Investment income	\$14.8	\$18.5	\$18.5	\$3.6
Net gains (losses) on investments	7.7	5.2	3.9	(2.8)
Less: Interest expense	(1.2)	(1.4)	(0.8)	-
Gross investment income	\$21.3	\$22.3	\$21.6	\$0.8
Operating expenses:				
Administrative fees	(\$7.0)	(\$5.9)	-	-
Management and asset servicing fees	-	-	(5.0)	(2.2)
Incentive fees	-	-	(1.5)	(0.1)
Other operating expenses	(1.2)	(1.4)	(1.4)	(0.3)
	(\$8.2)	(\$7.3)	(\$7.9)	(\$2.6)
Net performance of Arena FINCOs	\$13.1	\$15.0	\$13.7	(\$1.8)
Gross investment return	12.4%	12.2%	11.2%	0.3%
Net investment return	7.5%	8.1%	7.0%	(1.1%)

Highlights

- Excellent historical performance, despite excess cash balances and the absence of leverage
- Pursuing optimal leverage to drive net returns higher and allow for strategic options
- Fee structure adjusted based on Arena Investors third-party AUM, improving returns over time
- Permanent capital is highly strategic to the build out of Arena Investors and to pursue other avenues for future growth

Arena FINCOs capital has been a critical piece in the build out of Arena Investors

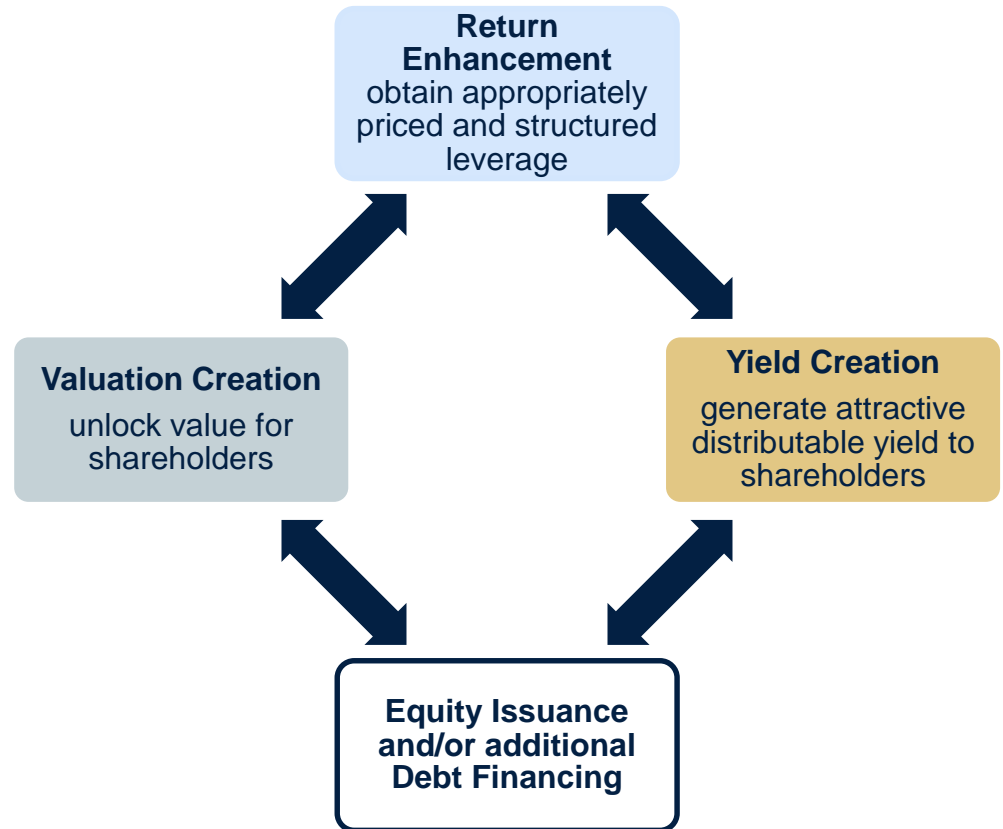
Permanent Capital: Huge Strategic Advantage to Building an Asset Management Platform

- Access to permanent capital is critical today to support the growth and success of alternative asset managers
- All Tier One alternative asset managers use proprietary permanent capital to accelerate growth of third party capital platforms
- Westaim is using its permanent capital to balance the support of its existing businesses to accelerate growth, while maintaining flexibility to take advantage of opportunities as they arise

Example: Arena Investors

- Westaim permanent capital has been highly strategic to Arena Investors:
 - Took “Enterprise Risk” off the table for investors
 - Demonstrated to existing and potential investors that we “eat our own cooking” and were highly aligned
 - Provided seed capital for new investment vehicles:
 - Offshore Fund – launched with \$5 million slice of FINCOs investments
 - Closed Ended Fund – launched with \$28 million slice of FINCOs investments - now \$299 million of committed AUM⁽¹⁾
 - Allows for strategic options to enhance value

Strategic Opportunities for Westaim’s Permanent Capital with Arena Investors



(1) As at September 1, 2020.

Arena Investors: Operating Leverage as AUM Grows

Arena Investors' Illustrative Operating Leverage⁽¹⁾

Third Party AUM Fee Structure		EBITDA Margin at Various Levels of Fee-Paying AUM ⁽²⁾⁽³⁾				
		\$1.0 Billion	\$2.0 Billion	\$3.0 Billion	\$4.0 Billion	\$5.0 Billion
Founders Class Fee Structure⁽⁴⁾						
Management Fee	1.5%					
Asset Servicing Expense	0.5%	0 - 5%	30 - 35%	40 - 45%	50 - 55%	55 - 60%
Incentive Fee	10.0%					
Standard Fee Structure⁽⁴⁾						
Management Fee	2.0%					
Asset Servicing Expense	1.0%	25 - 30%	45 - 50%	55 - 60%	60 - 65%	65 - 70%
Incentive Fee	20.0%					

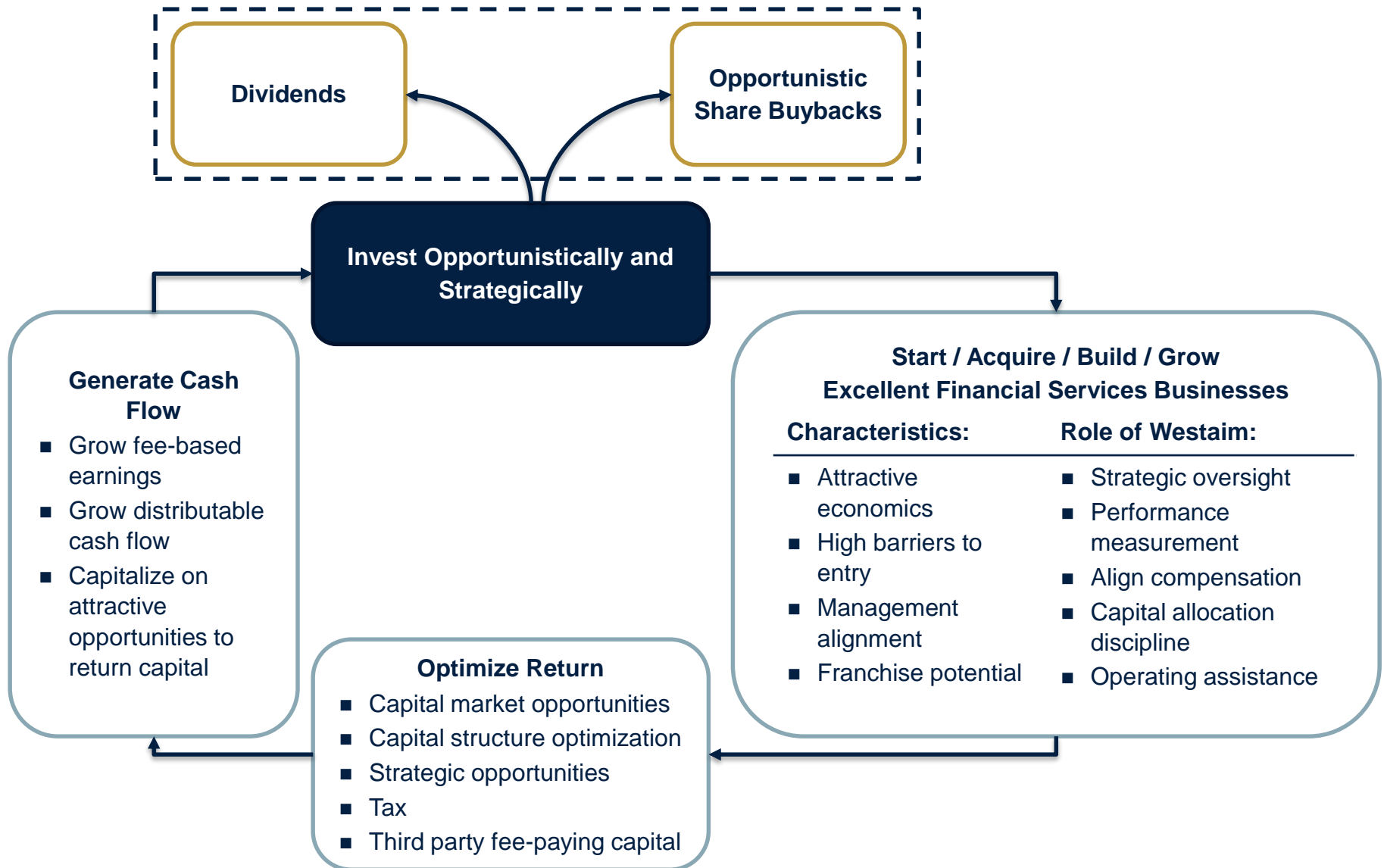
(1) Shown for illustrative purposes only. This does not represent a financial outlook or projection. Assumes a gross unlevered investment return of 15% for all accounts.

(2) Illustrative inputs refer to Arena's core trading strategy only and do not include the impact of excess capacity vehicles with varying fee rates.

(3) Actual results may vary from the illustrative inputs.

(4) Third party AUM fee structures are for illustrative purposes only, and vary across investors and products.

Westaim Strategy: Operationally Focused Asset Manager



Westaim: Path to Creating and Unlocking Embedded Value



Objective	Valuation	Applicable Metrics						
<ul style="list-style-type: none"> Top quartile growth in book value per share Superior underwriting Leading to multiple expansion 	<ul style="list-style-type: none"> Multiple of book value 	<table border="0"> <tr> <td>Stockholders' equity</td> <td>\$432.6mm</td> </tr> <tr> <td>Stock loans receivable</td> <td>\$(13.0)mm</td> </tr> <tr> <td>Total stockholders' equity</td> <td>\$419.6mm</td> </tr> </table>	Stockholders' equity	\$432.6mm	Stock loans receivable	\$(13.0)mm	Total stockholders' equity	\$419.6mm
Stockholders' equity	\$432.6mm							
Stock loans receivable	\$(13.0)mm							
Total stockholders' equity	\$419.6mm							
<ul style="list-style-type: none"> Secure intelligent leverage to enhance returns Explore opportunities to leverage platform to enhance growth and return 	<ul style="list-style-type: none"> Carried at fair market value Multiple of book value 	<table border="0"> <tr> <td>Fair market value</td> <td>\$171.7mm</td> </tr> <tr> <td> <ul style="list-style-type: none"> Target double digit net return to Westaim </td> <td></td> </tr> </table>	Fair market value	\$171.7mm	<ul style="list-style-type: none"> Target double digit net return to Westaim 			
Fair market value	\$171.7mm							
<ul style="list-style-type: none"> Target double digit net return to Westaim 								
<ul style="list-style-type: none"> Platform built out Solid investment performance Accelerate third party AUM growth Demonstrate operating leverage 	<ul style="list-style-type: none"> % third party AUM Discounted cash flow Multiple of EBITDA 	<table border="0"> <tr> <td>Third party AUM⁽¹⁾</td> <td>\$1.5B</td> </tr> <tr> <td> <ul style="list-style-type: none"> Accelerate EBITDA as AUM grows </td> <td></td> </tr> </table>	Third party AUM ⁽¹⁾	\$1.5B	<ul style="list-style-type: none"> Accelerate EBITDA as AUM grows 			
Third party AUM ⁽¹⁾	\$1.5B							
<ul style="list-style-type: none"> Accelerate EBITDA as AUM grows 								
<ul style="list-style-type: none"> Evolve platform to fee generating asset management Close gap between share price and intrinsic value 	<ul style="list-style-type: none"> Leverage costs Develop recurring fee related earnings Strategic initiatives 	<ul style="list-style-type: none"> Cash flow generation to parent Dividends / buybacks / other strategic options to create value Target: Double shareholder value every 5-7 years 						

(1) The assets under management of Arena, including capital committed but not yet deployed, as of September 1, 2020. All other information presented as of June 30, 2020.



Appendix

HIIG: Strong Financial Position

As at	December 31, 2019	June 30, 2020	Highlights
Investment portfolio	\$711.4	\$636.2	<ul style="list-style-type: none"> ■ Effective April 1, 2020 HIIG secured an LPT, mitigating development of net reserves from 2017 and prior years
Operating and restricted cash	86.3	103.2	
Insurance related assets	812.0	1,052.7	
Deferred tax assets	24.2	35.2	
Goodwill and intangible assets	142.9	142.0	
Total assets	\$1,776.8	\$1,969.3	<ul style="list-style-type: none"> ■ Rights Offering of preferred shares for US\$100 million was completed on April 24, 2020 – Westaim participated for \$44 million, its pro-rate share ■ On May 22, 2020, Andrew Robinson was appointed CEO of HIIG ■ On August 19, 2020, AM Best revised the rating on HIIG from A- (negative) to A- (stable) ■ Actions taken put HIIG in the position to take advantage of a hardening insurance industry environment to drive underwriting performance and profitable growth
Insurance related liabilities	\$1,244.4	\$1,421.3	
Notes payable	83.8	50.0	
Trust preferred securities	78.4	78.4	
Total liabilities	\$1,406.6	\$1,549.7	
Stockholders' equity	\$373.8	\$432.6	
Stock notes receivable	(3.5)	(13.0)	
Total stockholders' equity	\$370.2	\$419.6	
Total liabilities and stockholders' equity	\$1,776.8	\$1,969.3	
Tangible stockholders' equity⁽¹⁾	\$230.9	\$290.5	

US\$ millions except share and per share amounts.

(1) Tangible stockholders' equity is calculated as stockholders' equity, excluding the reduction for stock notes receivables less goodwill and intangible assets.

HIIG: Summary Income Statement

	Annual		Year-to-date	
	December 31, 2018	December 31, 2019	June 30, 2019	June 30, 2020
Gross written premium	\$696.9	\$878.3	\$460.1	\$485.8
Net written premium	\$300.5	\$421.7	\$225.0	\$210.9
Net earned premium	\$277.6	\$385.1	\$174.2	\$192.9
Commission and fee income	5.0	5.1	2.9	2.4
Less: Losses and LAE	(196.5)	(281.1)	(125.8)	(135.1)
Less: Policy acquisition costs	(17.8)	(24.1)	(10.3)	(11.5)
Less: Other operating expenses	(67.0)	(78.9)	(38.9)	(45.0)
Underwriting result excluding LPT⁽¹⁾	\$1.3	\$6.2	\$2.1	\$3.7
Net investment income	\$17.9	\$19.8	\$10.0	\$7.3
Net realized & unrealized gains (losses)	2.8	22.2	18.2	(11.6)
Investment income	\$20.7	\$42.0	\$28.2	(\$4.3)
Other income	\$11.2	\$0.4	-	-
Interest expense	(6.0)	(6.8)	(3.3)	(3.1)
Amortization expense	(1.5)	(1.8)	(0.9)	(0.9)
Income before taxes, excluding LPT⁽¹⁾	\$25.7	\$40.0	\$26.1	(\$4.6)
Income tax (benefit) expense	4.8	7.7	5.5	(1.0)
Net income (loss) excluding LPT⁽¹⁾	\$20.9	\$32.3	\$20.6	(\$3.6)
Impact of LPT, net of tax	-	-	-	(43.6)
Net income (loss)	\$20.9	\$32.3	\$20.6	(\$47.2)
Loss and LAE	70.8%	73.0%	72.2%	70.0%
Operating expenses	28.7%	25.4%	26.6%	28.1%
Combined ratio excluding LPT⁽¹⁾	99.5%	98.4%	98.8%	98.1%
Statutory Surplus	\$264.3	\$338.5	\$271.5	\$334.6

Underwriting Profitability

- Secured LPT to mitigate impact of adverse reserve development on go forward underwriting results
- In Q2 2020, reviewed all business units to determine prospects for profitability, growth and returns on invested capital
- Discontinued Monoline Workers' Compensation, Lawyers and Insurance Agent Professional Liability
- Added E&S team to accelerate growth
- Market conditions continue to be favourable

Investment Performance

- Losses YTD 2020 largely due to unrealized losses on public equities portfolio
- Beginning in 2019, mark to market on HIIG's public equity portfolio are included in the income statement under US GAAP
- Gain in fiscal and YTD 2019 includes a one time \$9.3 million realized gain on a strategic investment

Capital Efficiency

	TTM / as at June 30, 2020
Gross Written Premium / Statutory Surplus	2.7x
Net Written Premium / Statutory Surplus	1.2x
Investments / Statutory Surplus	1.9x
<ul style="list-style-type: none"> Optimize portfolio mix over time to guide industry portfolio and drive improved capital efficiency 	

US\$ millions except share and per share amounts.

(1) Does not include charges related to the Loss Portfolio Transfer ("LPT") transaction completed in Q2 2020 or adverse development subject to the LPT.



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