Value Investors: This Asset Manager Offers Unique Exposure to Credit Strategies!

Description

Westaim ([TSXV:WED](#)) is a Canadian investment company specializing in providing [long-term capital to businesses](#) operating primarily within the financial services industry. Westaim invests directly and indirectly through acquisitions, joint ventures, and other arrangements, with the objective of providing shareholders with capital appreciation and real wealth preservation.

Growing shareholder value

Westaim's strategy is to pursue investment opportunities with a focus on the financial services industry and growing shareholder value over the long term. Westaim's senior management team and board have [extensive experience](#) in sourcing, executing, and financing businesses, and providing strategic advice to businesses in order to help companies grow.

Accordingly, it expects to provide Westaim's portfolio companies with advisory services including, but not limited to, advice on capital allocation, financing strategy, performance measurement, and merger and acquisition support.

As part of the company's financing strategy, Westaim also partners with like-minded providers of third-party capital to help supplement the company's own capital when completing acquisitions. Any fees generated from managing this capital provide cash flow to Westaim to support the company's operations and augment the return for shareholders.

Lucrative insurance operations

Skyward Specialty, a wholly-owned subsidiary of Westaim, is a U.S.-based property and casualty diversified specialty insurance company group providing coverage primarily in the U.S. but also globally for certain risks. The majority of Skyward Specialty's business is written in the U.S. while the transactional property division includes selective business underwritten for risks outside the U.S.

Skyward Specialty's strategy includes in-house underwriting expertise for certain classes of business.

It adopts a strategy to lead in those specialty segments where it chooses to compete. The key pillars of this strategy are to drive market-leading performance through daily excellence and technical mastery of the elements of Skyward Specialty's business from underwriting to claims.

As technology continues to become more and more prevalent within the insurance industry, Skyward Specialty is positioned to take advantage of these new tools to sustain the company's nimble and creative entrepreneurial culture and continue to capitalize on marketplace disruption.

This includes expanding where Skyward Specialty is positioned for growth. It also plans to leverage a differentiated approach to asset management to generate better yield outcomes while maintaining conservative liquidity and market risk positions.

Profitable asset management franchise

Arena, another wholly-owned Westaim subsidiary, makes and manages fundamentals-based, asset-oriented credit investments. Fundamentals-based, asset-oriented credit investments refer to loans or credit arrangements that are generally secured by assets. Arena's core competitive advantage is the company's operating model, allowing it to originate unique credit-based investment opportunities in scale and on a cost-efficient basis, through the use of on-balance sheet employee teams.

Arena's model allows it to originate, create, and structure returns that are not able to be purchased in the credit markets. When looking for new opportunities, Arena seeks situations from which capital is retreating, providing liquidity in those situations where there is a scarcity of capital for reasons unrelated to value.

By using both employee teams and third-party relationships to create a pipeline of opportunities, Arena is able to choose the best opportunities in accordance with investment guidelines.

CATEGORY

1. Investing

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